



**SUMMARY OF ACTION  
FINANCE COMMITTEE MEETING  
February 1, 2016**

<u>ITEM</u>	<u>ACTION</u>	<u>PAGE</u>
CALL TO ORDER AND ROLL CALL	Quorum	1
APPROVAL OF AGENDA	Approved [amended]	1-2
APPROVAL OF CONSENT AGENDA	Approved [amended]	2
CONSENT AGENDA LISTING		2-3
<u>APPROVAL OF MINUTES</u>		
REGULAR FINANCE COMMITTEE – JANUARY 4, 2016	Approved	4
FINANCE COMMITTEE WORKSHOP – JANUARY 19, 2016	Approved	4
REGULAR FINANCE COMMITTEE – JANUARY 19, 2016	Approved	4
<u>CONTINUATION OF BUDGET DISCUSSION</u>		
REQUEST FOR APPROVAL OF A RESOLUTION PROVIDING GUIDANCE ON THE STRUCTURE OF THE BUDGET OF THE CITY OF SANTA FE AND CERTAIN REPORTING REQUIREMENTS	Postponed to 02/09/16 [amended]	4-18
DISCUSSION ON MONTHLY FINANCIAL REPORT ENDING NOVEMBER 30, 2015	Information/discussion	18-20
CONSIDERATION AND APPROVAL OF FRAMEWORK FOR CLOSING THE CITY'S STRUCTURAL OPERATING DEFICIT AND PROVIDING DIRECTION TO STAFF FOR PREPARATION OF FY 2016/17 BUDGET	Postponed to 02/09/16	20

<u>ITEM</u>	<u>ACTION</u>	<u>PAGE</u>
<b><u>CONSENT CALENDAR DISCUSSION</u></b>		
<b>EAST ALAMEDA PEDESTRIAN IMPROVEMENTS PROJECT, FROM EL ALAMO TO PATRICK SMITH PARK DRIVEWAY:</b>		
REQUEST FOR APPROVAL OF BID NO. 16/15/B AND CONSTRUCTION AGREEMENT – EAST ALAMEDA PEDESTRIAN IMPROVEMENTS WITH THE BASE BID AND ADDITIVE ALTERNATIVE IN THE AMOUNT OF \$316,822.89; GM EMULSION, LLC	Approved	20-22
REQUEST FOR APPROVAL OF AMENDMENT NO. 4 TO PROFESSIONAL SERVICES AGREEMENT – CONSTRUCTION ENGINEERING AND MANAGEMENT SERVICES FOR EAST ALAMEDA PEDESTRIAN IMPROVEMENTS PROJECT IN THE AMOUNT OF \$31,144.02; SANTA FE ENGINEERING CONSULTANTS, LLC	Approved	20-22
REQUEST FOR APPROVAL TO UTILIZE CITY OF SANTA FE TEMPORARY STAFF EMPLOYEES FOR PROJECT MANAGEMENT AND INSPECTION AS REQUIRED PER NEW MEXICO DEPARTMENT OF TRANSPORTATION REQUIREMENTS	Approved	20-22
REQUEST FOR APPROVAL OF BUDGET ADJUSTMENT IN THE AMOUNT OF \$15,840	Approved	20-22
REQUEST FOR APPROVAL OF AGREEMENT BETWEEN OWNER AND CONTRACTOR – MARY ESTHER GONZALES SENIOR CENTER WAREHOUSE AND COMPUTER LAB ADDITION; CES/FACILITYBUILD, INC.	Approved	22-24
REQUEST FOR APPROVAL OF AMENDMENT NO. 2 TO PROFESSIONAL SERVICES AGREEMENT – ANNUAL TECHNICAL SOFTWARE SUPPORT, HOSTING FEES FOR WEBSITE PORTAL, FIXED ROUTE AND PARATRANSIT LICENSES AND WIRELESS SERVICE FOR FY 2015/16; ROUTEMATCH SOFTWARE, INC.	Approved	24-25

<u>ITEM</u>	<u>ACTION</u>	<u>PAGE</u>
REQUEST FOR APPROVAL OF GRANT AWARD AND SERVICES AGREEMENT – YOUTH CONSERVATION CORPS PROJECT FOR WILDLAND URBAN INTERFACE; STATE OF NEW MEXICO, YOUTH CONSERVATION CORPS COMMISSION AND APPROVAL OF BUDGET ADJUSTMENT IN THE AMOUNT OF \$103,608.88	Approved	26-27
REQUEST FOR APPROVAL OF A RESOLUTION DIRECTING STAFF TO DESIGN, DEVELOP AND IMPLEMENT A PILOT TEEN RESOURCE CENTER THAT WOULD BENEFIT THE YOUTH OF SANTA FE	Approved	27-29
***** END OF CONSENT CALENDAR DISCUSSION *****		
<u>DISCUSSION</u>		
REQUEST FOR APPROVAL OF SETTLEMENT AGREEMENT WITH ANASAZI GALLERY TRADING ON BUSINESS LICENSE	Recommend approval	29-32
MATTERS FROM THE COMMITTEE	Information/discussion	32-33
ADJOURN		33

**MINUTES OF THE  
CITY OF SANTA FE  
FINANCE COMMITTEE  
Monday, February 1, 2016**

**1. CALL TO ORDER**

A meeting of the City of Santa Fe Finance Committee was called to order by Chair Carmichael A. Dominguez, at approximately 5:00 p.m., on Monday, February 1, 2016, in the Council Chambers, City Hall, 200 Lincoln Avenue, Santa Fe, New Mexico.

**2. ROLL CALL**

**MEMBERS PRESENT:**

Carmichael A. Dominguez, Chair  
Councilor Signe I. Lindell  
Councilor Joseph M. Maestas  
Councilor Ronald S. Trujillo  
Councilor Christopher M. Rivera

**OTHER GOVERNING BODY MEMBERS ATTENDING**

Mayor Javier M. Gonzales  
Councilor Peter N. Ives

**OTHERS ATTENDING:**

Oscar S. Rodriguez, Director, Finance Department  
Teresita Garcia, Finance Department  
Yolanda Green, Finance Department  
Melessia Helberg, Stenographer.

There was a quorum of the membership in attendance for the conducting of official business.

**NOTE: All items in the Committee packets for all agenda items are incorporated herewith to these minutes by reference. The original Committee packet is on file in the Finance Department.**

**3. APPROVAL OF AGENDA**

Mr. Rodriguez noted that in the caption for the approval of the three sets of minutes, it should be the minutes of "2016" not "2015."

**MOTION:** Councilor Trujillo moved, seconded by Councilor Maestas, to approve the agenda, as amended.

**VOTE:** The motion was approved unanimously on a voice vote.

**4. APPROVAL OF CONSENT AGENDA**

**MOTION:** Councilor Trujillo moved, seconded by Councilor Lindell, to approve the following Consent Agenda as amended.

**VOTE:** The motion was approved unanimously on a voice vote.

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**CONSENT AGENDA**  
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A copy of an Amendment Sheet, submitted by the Community Development Commission, regarding Item #16, is incorporated herewith to these minutes as Exhibit "1."

- 9. *[Removed for discussion by Councilor Lindell]*
- 10. *[Removed for discussion by Councilor Lindell]*
- 11. *[Removed for discussion by Councilor Lindell]*
- 12. **REQUEST FOR APPROVAL OF A BUDGET ADJUSTMENT IN THE AMOUNT OF \$203,915 FY 2015/16 IN THE WILDLIFE DIVISION TO ACCEPT REIMBURSEMENTS RECEIVED BY STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES (EMNR) FOR WILDLAND FIRES. (GREG GALLEGOS)**
- 13. *[Removed for discussion by Councilor Lindell]*
- 14. **REQUEST FOR APPROVAL OF BUDGET ADJUSTMENT FOR FY 2015/16 BUDGETS FOR AN INCREASE TO THE CONVENTION CENTER DEBT SERVICES FUND 5102 AND CREESE FOR THE PARKING DEBT SERVICE FUND 5153. (HELENE HAUSMAN)**
- 15. **REQUEST FOR APPROVAL OF A RESOLUTION DIRECTING STAFF TO COMPLETE AN ASSESSMENT ON THE BENEFITS AND COSTS OF IMPLEMENTING AN AUTOMATED EXTERNAL DEFIBRILLATOR (AED) PROGRAM AND REPORT BACK TO THE GOVERNING BODY WITHIN 90 DAYS; AND DIRECTING STAFF TO SEEK OUT FUNDING OPPORTUNITIES TO SUPPORT SUCH A PROGRAM (MAYOR GONZALES, COUNCILORS IVES, MAESTAS AND TRUJILLO). (ERIC LITZENBERG AND BARBARA BOLTREK) Committee Review: Public Works Committee (approved) 01/25/16; Public Safety Committee (approved) 01/26/16; and City Council (scheduled) 02/10/16. Fiscal Impact – No.**

16. REQUEST FOR APPROVAL OF AN ORDINANCE INCLUDING A DEFINITION FOR ALTERNATE MEANS OF COMPLIANCE AND AMENDING THE DEFINITION OF EXTREME HARDSHIP; AMENDING THE REQUIREMENTS FOR SANTA FE HOMES PROGRAM RENTAL UNITS; AMENDING THE PROCESS BY WHICH A DEVELOPER OF RENTAL HOUSING IS ALLOWED TO PAY A FEE-IN-LIEU INSTEAD OF SEEKING AN ALTERNATE MEANS OF COMPLIANCE WITH THE REQUIREMENTS OF THE SANTA FE HOMES PROGRAM; AND ESTABLISHING AN EFFECTIVE DATE FOR THE AMENDMENTS (MAYOR GONZALES). (ALEXANDRA LADD). Committee Review: Public Works Committee (approved) 01/11/16; City Business & Quality of Life Committee (approved) 01/13/16; City Council (request to publish) (approved) 01/13/16; Finance Committee (postponed) 01/19/16; Community Development Commission (approved) 01/20/16; and City Council (request to publish) (scheduled) 02/10/16. Fiscal Impact – No.
17. *[Removed for discussion by Councilor Lindell]*
18. REQUEST FOR APPROVAL OF AN ORDINANCE AUTHORIZING THE EXECUTION AND DELIVERY OF A WATER PROJECT FUND LOAN/GRANT AGREEMENT BY AND AMONG THE NEW MEXICO WATER TRUST BOARD (“WATER TRUST BOARD”) AND THE NEW MEXICO FINANCE AUTHORITY (“FINANCE AUTHORITY”), AND COLLECTIVELY WITH THE WATER TRUST BOARD, THE (“LENDERS/GRANTORS”) AND THE CITY OF SANTA FE, THE (“BORROWER/GRANTEE”) IN THE AMOUNT OF \$150,000, EVIDENCING AN OBLIGATION OF THE BORROWER/GRANTEE TO UTILIZE THE LOAN/GRANT AMOUNT SOLELY FOR THE PURPOSE OF FINANCING THE COSTS OF WATERSHED RESTORATION AND MANAGEMENT, AND SOLELY IN THE MANNER DESCRIBED IN THE LOAN/GRANT AGREEMENT; PROVIDING FOR PAYMENT OF THE LOAN AMOUNT AND AN ADMINISTRATIVE FEE SOLELY FROM NET SYSTEM REVENUES OF THE WATER MANAGEMENT FUND; CERTIFYING THAT THE LOAN/GRANT AMOUNT, TOGETHER WITH OTHER FUNDS AVAILABLE TO THE BORROW/GRANTEE, IS SUFFICIENT TO COMPLETE THE PROJECT; APPROVING THE FORM OF AND OTHER DETAILS CONCERNING THE LOAN/GRANT AGREEMENT; RATIFYING ACTIONS HERETOFORE TAKEN; REPEALING ALL ACTION INCONSISTENT WITH THIS RESOLUTION; AND AUTHORIZING THE TAKING OF OTHER ACTIONS IN CONNECTION WITH THE EXECUTION AND DELIVERY OF THE LOAN/GRANT AGREEMENT. (COUNCILORS LINDELL, DOMINGUEZ, TRUJILLO AND RIVERA). (ALAN HOOK) Committee Review: Public Utilities Committee (scheduled) 02/10/16; City Council (request to publish) 02/10/16; and City Council (public hearing) 03/09/16. Fiscal Impact – Yes. \$150,000 grant/loan agreement of which \$135,000 is a grant and \$15,000 is a loan from the NM Water Trust Fund and financed by the NM Finance Authority.

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 END OF CONSENT AGENDA  
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**5. APPROVAL OF MINUTES: REGULAR FINANCE COMMITTEE – JANUARY 4, 2016  
FINANCE COMMITTEE WORKSHOP – JANUARY 19, 2016  
REGULAR FINANCE COMMITTEE – JANUARY 19, 2016**

**MOTION:** Councilor Lindell moved, seconded by Councilor Maestas, to approve the minutes of the Regular Finance Committee meeting of January 4, 2016, the Finance Committee Workshop of January 19, 2016, and the Regular Finance Committee of January 19, 2019, as presented, with correction to the caption.

**VOTE:** The motion was approved unanimously on a voice vote.

**CONTINUATION OF BUDGET DISCUSSION**

**6. REQUEST FOR APPROVAL OF A RESOLUTION PROVIDING GUIDANCE ON THE STRUCTURE OF THE BUDGET OF THE CITY OF SANTA FE AND CERTAIN REPORTING REQUIREMENTS (COUNCILOR IVES). (OSCAR RODRIGUEZ).**

A copy of a Resolution providing guidance on the structure of the budget of the City of Santa Fe and certain reporting requirements, sponsored by Councilor Dominguez and Councilor Ives, is incorporated herewith to these minutes as Exhibit "2."

Chair Dominguez said he handed out a substitute Resolution and it should be on the desk [Exhibit "2."]. He said it is sponsored by Councilor Ives and himself, and contains most of what Councilor Ives had in his original bill that was delivered with the packet. The Resolution has been reorganized somewhat, and there are a few changes. On page 3, the proposal is to eliminate all of Section 4, because it is part of an existing Finance policy. He said beginning on page 4, line 20, he would like to pull all of Section 6, through page 6. He said the reason for this, is that we need have a significant discussion about we consider to be core services. He would like to give instruction to staff to instigate the discussion by looking at Public Safety [Police & Fire], Public Utilities and Quality of Life [Parks, Recreation, Libraries, Senior Services and Youth Services] and direct staff to begin to develop performance measures for discussion by the last meeting in February. He said these are the "biggest changes on the substitute bill."

Councilor Ives said all of the Governing Body have been involved in facing the budget challenges identified by the Finance Department. He said a number of us have come forward with proposals to guide staff in the creation of that budget to identify some of the things we believe need to be examined closely as part of that process, as well as to set priorities so the process is meaningful, and guided by a desire for results that will resonate with the Governing Body in terms of our next year's budget. He said the budget process kickoff was presented to the Finance Committee on January 19, 2016. He said the Chair's and his idea was to do as much as possible to come to agreement on direction to staff as soon as possible. The substitute resolution does that, along with the changes detailed by the Chair. He looks forward to the next discussions in the process by the Committee.

Councilor Ives continued saying, the next part of the Resolution is an effort to define the process as a three-year process, and identify the desired level of revenue and expenditures, noting there are more specific proposals in terms of fees for various services across the City. He said this is an effort to come together in terms of directions and policy guidance to staff as we work to resolve our budget issues in order to move forward with as little negative impact as possible.

Chair Dominguez noted at the previous meeting there were suggested frameworks from Councilor Ives and one from himself. He said he has taken his proposed framework, with changes, and incorporated those into the substitute Resolution, noting it is more specifically identified in Section 5 of the bill.

Councilor Maestas said he submitted a framework to close the deficit for the coming fiscal year [Exhibit "3"]. He said his proposal contains no taxes increases.

Chair Dominguez noted we are on Item #6.

Councilor Maestas said he knows, but his point is that in the last workshop we talked about frameworks, and this bill is well beyond a framework. He said the bill has a lot of duplication. He said, for example, he submitted a bill in December 2015, adopted by the Council, requesting efficiencies in overtime and travel, benchmarking with other municipalities, cutting specific FTE levels over a 3 year period with a specific cost savings. It also includes elements speaking to the pay-down of a water bond that will be called in 2016. He introduced legislation that is working its way through the policy process. He sees a lot of duplication in this, as well as it has a lot of evaluation and reporting elements, and he wonders if we have time for that. Or, perhaps we should pursue a framework which isn't as time and policy intensive, reiterating his concern that we have limited time to do the study components and it duplicates current and past legislation. He said he wishes we would stick to one policy track in looking at an overall framework. Fundamentally, he believes we should focus on efficiencies and cuts in the first year, and as a much later resort, consider any tax increases. He said he thought we were talking frameworks.

Chair Dominguez said that is on the Agenda later in the meeting, and we still can talk about frameworks. He said Councilor Maestas is welcome to cosponsor the bill, or amend it to include some of his requests. He would love to have Councilor Maestas as a cosponsor if they can agree on some of the things for which he is asking.

Councilor Maestas said a lot of new information was added to Councilor Ives' Substitute bill.

Chair Dominguez said it's really not new. He said some of it is part of the framework he provided, so it's not new, although the form is new.

Councilor Maestas, referring to page 7, Section 9, asked if this bill seeks to enact any tax increases, noting it is asking staff to "review, analyze and report." He said we covered the gasoline tax already and we've missed this election cycle. He asked if the timeframe for this proposal is over the next 3 years. He said we will get a new Councilor, and he is unsure if a roadmap like this would be viable after the March election, commenting there may be differences of opinion, especially in regard to pursuing tax increases.

Chair Dominguez said, we can't wait until March. He said if there is a will by the Governing Body to change some of this after the election, he is open to that.

Councilor Maestas said his point is, knowing what is coming, we should focus on the next budget year, coming up with a framework for the FY 2017/2018. He said there are items in the bill that will beg for more direction. He said the Council approved a bill in December asking for specific efficiencies, such as on page 3, Section 5, line 17, directing the City Manager to work with the Finance Department and other departments to recommend cuts in expenditures and enhancements in revenues. He said he is unsure if that should come from the City Manager, so he has fundamental differences with some of this language. He said all we've heard is we're not giving them enough direction. He believes coming up with recommendations for enhancement in revenues shouldn't fall on staff or the City Manager. He said he isn't sure how flexible the sponsors are in terms of changes to the bill.

Chair Dominguez said he is willing to do what he thinks is best for the City, regardless of the political cycles in front of his, and even his personal wishes. He will work with anybody, and even compromise a little, to make sure we get something that works for the City. He said we can debate forever what is the best structure, or what are core services and the most important services, but we need to make sure we have the discussion we need and move this forward.

Councilor Maestas said some of the items require time and there is a lot of direction to do additional evaluation and benchmarking. He could support this if there are deadlines that fit with the budget hearings and give us the right information to make the most informed decisions.

Chair Dominguez agreed, saying he doesn't want to get too greedy and have unrealistic deadlines, commenting we can have that discussion. He said if there is a way to push staff to get us information, we can do that as well. He said that is part of what he was talking about in terms of Section 6 on page 5, noting that is a little too big a piece of the pie to manage. He said we can break it out, and those don't have to be all of what we consider to be core services. It's a starting point with specific deadlines to get some of those measurements by the end of February.

Councilor Lindell thanked the Chair and Councilor Ives for working on this Resolution. She said it has been on her desk for 20 minutes and said she can't possibly study it and have an informed reasonable opinion on it this evening. She said it is not fair to bring this to the Committee and ask us to act on it this evening. She said she doesn't want to do business this way. She studied the Resolution in the packet very carefully, and took lots of notes, and she is now here uninformed and being asked to act on something she's never seen before. She said this potentially is a very crucial piece of legislation we're working on. She said we've got to do better than this – to come into a committee meeting with a document of this importance without time to study and work on it. She has no comments on the document because she hasn't had the time to read and study it.

Chair Dominguez said he is sensitive to that point, but it has been difficult to get anything on paper, other than what Councilor Ives and Councilor Maestas have done. We have little bits and pieces, but nothing that represents a more comprehensive view of how we're going to look at the budget. He said we always can consider Councilor Ives' bill, but there will be a bunch of amendments. He said, "I definitely recognize what you're saying and it's duly noted."

Councilor Rivera said he too reviewed the information in the packet and had various questions to ask, but it appears many of his areas of concern have been removed from the bill. He said he too would like more time to review this. He said he does have areas where he has questions.

Councilor Rivera referred to page 2, where we are asking to compare Santa Fe with cities of similar size, population, economic structure and such. He asked Mr. Snyder, based on what we're asking him to do in looking at the Southwestern United States for cities comparable to Santa Fe, if we are giving him, as well as staff, sufficient time to provide meaningful, useful data for us to look at.

Mr. Snyder said, specific to the comparison of cities, he believes Mr. Rodriguez did a comprehensive evaluation of that a week or so, and if it involves expansion on that, he thinks that is realistic. He said this is a great starting point.

Councilor Rivera said he has issues with Mr. Rodriguez's study. He asked how many of those municipalities own their own water utility.

Mr. Snyder referred the question to Oscar Rodriguez, Finance Department Director.

Mr. Rodriguez the majority, but not all of them do own their own water utility, and some own an electric utility as well, for example, Lubbock, Texas. He said some have their own Housing Authority.

Councilor Rivera asked how he was able to compare municipalities with an electric utility with Santa Fe – were numbers removed, manipulated, how was that done.

Mr. Rodriguez said, as noted in the table he circulated, he broke them down by department for comparison across departments. He said there will always be differences between municipalities.

Councilor Rivera said his concern is that we are comparing apples to apples. He said one thing you can't account for is annexation. The City annexed a considerable block of land in the Southwest sector and throughout the City, although we're not yet providing full services. We're working under an Agreement with Santa Fe County Fire, Santa Fe County Sheriff's Office to help provide some of those services. He asked how those comparisons being made so we actually are looking at realistic numbers. He said this is one concern. He said his other concern is with the Water utility.

Councilor Rivera continued, referring to page 2, Section 3, line 24, which says, *..Future year budgets shall be prepared ensuring that City programs are competitive with the efficiency indicators derived from the comparison with comparable cities.* He said trying to find municipalities that are truly comparable is going to be a difficult thing to do. He said future based on that comparison we just heard, can't be done 100%.

Chair Dominguez said Councilor Rivera is correct and this one of the concerns he expressed to Councilor Ives when they started working on this Resolution. He said the City has policies in place mandating an increase in FTEs. He said he and Councilor Ives thought these comparables could be used as a way to check in, but not necessarily to propose policy as the result of what came from the comparables. He said the substitute Resolution talks mostly about how we're using those as a way to check in what the rest of the country is doing in terms of FTEs. He said there is that we have policies in place which have different requirements. He said this is a point that needs to be discussed.

Councilor Rivera reiterated the language on page 2, line 24. He said it says, "shall" be prepared based on the comparison with comparable cities.

Chair Dominguez said that is intended to say we should continue to look at other municipalities as we do future budgets, commenting we can wordsmith that language to make it more clear. He said his reading is that it should be automatic that staff prepare budgets, while keeping in mind that we don't have to build a budget relative to that comparison.

Councilor Rivera said he would like to amend that language for clarity.

Councilor Ives said April 2015 is the first time this Governing Body began discussing whether Santa Fe is as efficient and appropriately sized as it should be, given the services it delivers, in view of the staff, population and such. The Governing Body asked for the comparison to be undertaken, and we're at the point where we are starting to get that information. He recalls that in terms of FTEs per 1,000 population, the City has more than 18, and the next closest municipality has 13.5 FTEs. This suggests that we may not be as efficient as we need to be. He said the attempt is to add language to the Resolution, in terms of efficiency and operations should be competitive with the operations of other comparable municipalities. It is an effort to right-size the City in terms of staffing and meeting the needs of the citizens. He said it seems prudent to have some kind of measurement/objective assessment to use in the budgeting process to accomplish the desired level of efficiencies. There always will be the opportunity to point out differences between Santa Fe and other municipalities in that process.

Councilor Rivera said Councilor Ives' assumption is that the staff isn't operating efficiently. He said his assumption is that the other cities aren't offering the same services as Santa Fe, so that's not a fair comparison.

Councilor Ives said this is the reason he is asking staff to look at the data and try to make those assessments.

Councilor Rivera said he is okay if we're comparing Santa Fe with other cities offering the same services as we do, and if not, doesn't want those numbers to be considered. He asked Mr. Snyder if there is sufficient time for him to do this, which he believes will be a difficult task.

Mr. Snyder said a lot of the work that has been done which is a great starting point, but he is unsure how much more the Committee is asking in doing an apples to apples comparison. He said the chart sent out by Mr. Rodriguez, as an example, broke it down by department, but it wasn't broken down beyond those functions which would be almost impossible. He said Santa Fe provides a lot of services that other cities don't and vice-versa.

Councilor Rivera said then a true apples to apples comparison probably can't be done. He said, "So we're basing peoples' livelihoods on the decisions that are going to be made on these comparisons, or potentially people may lose jobs, or we may have attrition and not fill jobs. I'm not sure that's a fair way to do it. I'm not sure that's really relevant information for us. If we're going to cut services, let's cut services, but I'm unsure the best way to do it is to compare us with other cities."

Councilor Ives said clearly we know we need to balance the budget which is a matter of either making cuts and/or finding additional revenue. He said we have differences of opinion on the revenue sources and what is appropriate, as well as to the nature and extent of services and the staffing necessary to deliver the services. He said we know of efficiencies that can be gained through greater use of modern IT with the potential to deliver greater service, more efficiently, with potentially less staffing. He gave the example of payroll where we are inefficient because we lack system software to perform as most modern cities.

Councilor Ives continued, "And again, the proposal is not to cut people so much as, through attrition an understanding of where staff should be increased/decreased." He said we can move people within the City to ensure they continue to be gainfully employed. So we're not endorsing just going out a cutting everybody 5% and we know 80% of our budget is employee compensation and benefits. It's just trying to build some kind of objective measure we can utilize in making those decision. He said, "We may decide we want to keep everything as it is, and we just want to raise taxes. And that's a decision that this Governing Body can make if that's where we all are when it comes to specific cuts and specific enhancements to adopt."

Councilor Rivera reiterated his concerns with the language on page 2.

Councilor Rivera referring to the previous Resolution regarding the Fire Department, commenting we don't need to micromanage on what that should look like.

Councilor Ives said in 2014 the Fire Department responded to 22 fires, and with the improvement of materials the incidence of catastrophic fire has been reduced greatly. However, we still utilize protocols that send out equipment that is not necessary to respond to the nature of the call that has been made. He said this language asks the Fire Department to look at one specific thing, which he believes is reasonable. He wants to cut mileage on the vehicles so they are in service longer. He said we all need to look at those kinds of protocols that may no longer have full relevance based on modern materials and fire practice.

Councilor Rivera said those ideas actually may cost money rather than saving money, commenting we can have those discussion during budget.

Councilor Trujillo said he's trying to digest the new Resolution. He asked if staff can come up with cuts of 3-5%. He asked if we are going to determine which 75 positions to cut.

Councilor Maestas said the \$50,000 per position was to get an estimate of the fiscal impact. He said that was in the Resolution that was passed in December that was never implemented. That Resolution called for specific reductions in FTEs, and thinks it was 75 positions per year for 3 years, and the reason he included in the framework, noting that was the City Manager's number.

Chair Dominguez said the amount proposed in the cuts in the framework reflect that, but we're not saying where to specifically make those cuts.

Councilor Trujillo said he is open to considering revenue enhancements, but prior to doing that, we need to get our house in order. He wants to make cuts that don't hurt the departments. He would like to see the numbers on a 3-5% cut.

Mr. Snyder said, "Yes, we can do it."

Councilor Trujillo said he knows that, but thinks 45 days is a short time to do that.

Mr. Snyder said staff can do that. However, any of the options for cuts will impact service levels. He said rather than saying, for example, Fire and crime prevention are untouchable, every service will be impacted at some level across the City .

Councilor Trujillo said he's looking at a range of 3-5% cuts by department, some 3% others 5%, and perhaps 4% in others. He said it is our decision, and this is a scenario he is looking at, but didn't put it in writing. He said he thinks we've already done the analysis of the gasoline tax, which he supported, but the time to do that has passed. He said he has to have more time to study the substitute Resolution – a couple of days.

Mayor Gonzales applauded Chair Dominguez and Councilor Ives on the substitute Resolution. He said we have to settle on something shortly as to how to address the shortfall. He said there seems to be good opportunity to bring this proposal together with Councilor Maestas. This gives the opportunity for the Council to consider revenue potential without having to increase taxes.

Mayor Gonzales continued, saying the Chair and Councilor Ives have done a good job in putting this together and bringing it forward. He said the Finance Committee could leave here with some direction to staff on how to best serve the Committee in coming forward with the needed information to make decisions and what that would look like whether strictly cuts, or just revenue enhancements, or whatever combination they might devise.

Mr. Gonzales asked Mr. Rodriguez the amount of discretionary funds available to address Fire, Police, Public Works – all the general services areas.

Mr. Rodriguez said he has recommended an assumption that expenditures will grow by 1½ % and revenue will grow by 2%, so we would be looking at ½ % in revenues next year.

Mayor Gonzales asked that dollar amount.

Mr. Rodriguez said it would be ½% of \$90 million for general government

Mayor Gonzales asked if that is the amount for general government that is unencumbered and is purely discretionary.

Mr. Rodriguez said yes, noting that doesn't include debt service, and it is just funds to pay for salaries, etc. "So that is \$90 million plus ½%."

Mayor Gonzales said then General Fund expenditures then would be \$105 million if we're going off the \$15 million deficit, and Mr. Rodriguez said yes.

Mayor Gonzales said Resolutions have been adopted by the Governing Body, as pointed out by Councilor Maestas, one of which is to reduce positions by 75, and another to do away with temporary positions, and asked if that is correct.

Mr. Rodriguez said that was when the Council approved the capital budget, directing that bond proceeds no longer can be used to pay for operations – that is part of the \$ 6.4 million cuts from operations.

Mayor Gonzales asked if there are other Resolutions mandating cuts.

Mr. Rodriguez said yes. He said when this Governing Body approved the budget in May 2015, it adopted a Resolution saying we would no longer take any funds from Utilities, which is another \$4.7 million plus \$1.2 million, plus another \$2.9 million for the funds operating in a deficit where we have to borrow funds from the cash pool to make it up.

Mayor Gonzales said the savings for cutting the 75 positions would be \$3.75 million, commenting that the deficit is somewhere around \$17 million. He said under all Resolutions that have been adopted, we have to come up with \$17 million in cuts.

Mr. Rodriguez said at this point there is a Resolution, for example, to restore \$3 millions to the cuts that already have been made to Operations when we decided not to pay the \$6 million for operations from bond funds. He said then we need to put back \$3 million.

Mayor Gonzales said then with the Resolutions adopted to date, the deficit is approximately \$18.9 million.

Mr. Rodriguez said, "The impact of all of that, yes sir. In my presentation two weeks ago, I said if you did nothing at all those cuts are coming forward based on previous decisions by the City Council.

Mayor Gonzales said part of the challenge for the Finance Committee is to determine which of the Resolutions that have been passed will be reconsidered, if any, and which ones are not. He would have assumed the sooner the better would be helpful. He said the Chair has shown great leadership and the Finance Committee has brought forward a framework. He said it would be helpful to have an understanding of the proposed combination of revenue enhancements, combination of cuts, if it is going to be multi-year, and how much of that gap will come from existing cash. He hopes there can be some agreement with targeted numbers for each of the areas, so we can start to set priorities so we hit the \$6 million in cuts. Or are we going to talk about revenue enhancements, and the form of those to consider and which ones not to consider, and sooner the better – will the revenue come from fee increases as proposed by Councilor Maestas, or if there will be a combination of all of the above, and how do we have that dialogue that brings consensus among the Governing Body that will resolve this, and to come out of this stronger. He noted the discussion of right-sizing City Hall to determine the levels of services desired by our constituents, and the appropriate means of raising revenues to meet those goals. He said if the revenue structure is in place, "let's do it."

Mayor Gonzales continued saying, the GRT capacity is available both to the City and the County on a first come, first served basis. He said GRT is one of the most regressive taxes. However, if we choose not to have a GRT as part of this component, the hold harmless legislation gives the County the ability to enact a GRT by majority vote of its Commission at an open meeting, and that will impact all of our citizens. He asked how much of that capacity remains.

Mr. Rodriguez said he would recommend that tax increases be considered in view of what the market can bear. He said the City has  $\frac{1}{2}\%$  GRT, and the County has  $\frac{2}{8}\%$  GRT left in the Hold Harmless increment. The City has the entire  $\frac{3}{8}\%$  plus  $\frac{1}{8}\%$  GRT, but the total available to the City is  $\frac{1}{2}\%$ . He said Santa Fe is at the very top of the market in terms of GRT rates.

Mayor Gonzales said he understands the County can enact its increment. He said Mr. Rodriguez is saying if the City enacted all of its increments, the City would have one of the highest GRT rates in the State. He said we always could enact it in the future, but it would further escalate the issue. He said the County still could enact a GRT even if the City raised its GRT.

Councilor Maestas noted legislation has been introduced to cap the hold harmless for any City and County at 100% of their losses from the Hold Harmless. He said any future increments for Santa Fe County probably would be forbidden because it's more than made up for the tax implemented. He said there is concern about the equity around Hold Harmless, especially for the Counties which are making a windfall on it at the expense of the citizens living within the City limits and in the County.

Mayor Gonzales said the Legislature granted the additional GRT to the cities and counties to address Hold Harmless. He said if we both use it to generate revenues, we're hurting the very people who need us to produce better services.

Mayor Gonzales noted the proposals by Councilors Maestas, Dominguez and Ives, set up good policy discussions on prioritization of services so that we could see the cuts. Also a policy discussion on examining existing revenues and determining if those are at adequate levels. He believes there are Resolutions working through the system which will allow the Council to include property, GRTs, and other fees that could be enacted – or none, or some.

Mayor Gonzales continued, saying it would be good to have time set aside for conversations in both these areas, which he would be beneficial for all of us.

Councilor Maestas explained his framework is going with what we know, because he doesn't think we have time to do too much more studies. He said he is identifying enterprises funded by the General which are bleeding \$3 to \$3.8 million, with negative cash balance at year's end. The \$3 million he proposes coincides with the bleeding annual at the Airport, MRC, GCC and other enterprises. He said the idea is to stop the bleeding and make them budget neutral.

Mayor Gonzales said he doesn't want any fee increases to impact the use by our citizens. He said the Chair and Councilor Ives have set priorities in Police, Fire, Wastewater, Public Utilities and Quality of Life.

Chair Dominguez said they are asking that those be considered as core services, and instead of determining specific cuts right now, we will ask the administration to bring back performance measures in these areas so we can incorporate some of that into the budget. That way we will have data we can use in implementing the performance based budgeting.

Mayor Gonzales said if those are the core services, then the cuts would be in the administration and overhead – 46% for Fire & Police, 24% for quality of life, 20% for general administration and overhead and 8% for Public Works. He said then any or all of the cuts would come from the 20% for general administration and overhead. You can then sit and cut the \$3 million.

Chair Dominguez said there is always going to be a demand on the administration to become much more efficient and effective, and although it didn't have to be delivered via our budget, it really helps. He said there is a lot we can do across the board in any department, but we don't have a collective idea of exactly how to do the cuts and/or enhanced revenue.

Chair Dominguez continued, saying he agrees we need to look at some of the fee increases in Councilor Maestas' proposal. However, he has had participated in many fee increase discussions during his 20 years on the Council, noting we increased fees at the GCCC two years ago. He said we constantly are looking for ways to generate revenue, whether through fees, or in this case, revenue enhancements. He said to come up with \$3 million for the MRC, it would be necessary to charge \$200 for a round of golf at the golf course. He said we could come to the point where we raise the fee so much that we chase people away, so there has to be a balance, and the balance itself will take some study. He said we definitely need to look at these things, but we aren't going to make that decision over the course of one meeting or with one policy. He said staff in Planning already are looking at some of these things.

Councilor Maestas said this would be staff direction, commenting he wouldn't expect the Committee to go through every fee structure and decide where to make a change at this meeting. He said, "Staff wants direction, I think this is direction."

Chair Dominguez said there is lots of direction throughout the document, but "it doesn't have to be your direction though."

Councilor Maestas said if you look at his framework, it first cuts, the proposed revenues are recurring and not one-time, and "it still gives us time to look at some of the broader right sizing issues that we don't have time to study between now and the time we adopt the budget."

Mayor Gonzales said it would be helpful for part of the direction to come out of the Finance Committee on cuts and revenue enhancements. He said we can say the core services are Police, Fire, Parks and Recreation, but he doesn't think you're saying to hold them at the existing levels. He said there always is a 10-15% vacancy rate in Police staffing which is hard to fill. He said the question is can we ask the Police Chief if you were reduced by 5 positions, if he still could hit the target in violent crime, and the same for the Fire Chief. In terms of Parks, there are 67 parks, is there a discussion by the Council that says we can provide a good, strong quality of life with 50 parks for the public. He said we need to have policy discussions on this Committee to really understand how to pull the budget together, after we come to some consensus on what levels of service we should be providing.

Mayor Gonzales continued, saying he believes the staff can come back with what we think the market would bear, and perhaps we should see that number before we hit a target, commenting that is part of the framework to give to staff.

Chair Dominguez said he will make sure the Committee considers that when the Committee considers some of what Councilor Maestas is proposing as well.

Councilor Ives noted one of his motivations for his proposals. He said in the last budget discussion, we undertook to do a budget functionally shackling the Finance Department's hands with regard to developing the budget. We said there would be no staff cuts, no service cuts, no revenue enhancements. He noted the Finance Director has said that type of approach simply won't work, especially in the current circumstance, given the size of the deficit. He would note he originally introduced the measure at a meeting in November, and sent out a draft in early December, so parts of that came forward later in time such as the Gasoline Tax proposal which will be relevant in our discussions into the future as a source of funds.

Councilor Ives continued, saying the Resolution before the Committee is an effort to be sure staff has greater flexibility, to provide guidance about what should be looked at, and to free the City Manager from the constraints imposed in our prior budgetary cycle. He believes there is general agreement among the Committee and the Governing Body that we want everything to be on the table, and look at all possibilities. He is glad everyone is willing to look at all of the possibilities – from potential reductions in staff if it makes sense, to cuts in various services if it makes sense. He said everyone is working to find efficiencies, and the Chair is willing to consider the whole host of revenue enhancements whatever those

might be. He said the direction to staff is that it's all on the table, we have a sense of priorities for core and essential services, and to tell us what we can do to solve the budgetary issues over the next 3 years. He wants to move forward into those discussions.

Councilor Maestas said he agrees that we need to reach a consensus which the Mayor mentioned over and over again, but he is unsure we are converging on consensus. He said he is getting frustrated because we pass legislation asking for efficiencies, noting a lot of those requests are in the substitute Resolution. However, we don't have that information. He said we spend a lot of time talking about efficiencies and cuts first, and so much time has gone by, he doesn't think we have the luxury to consider any kind of tax increase. "So much so that you had to start the policy process even though none of us really support it, or are prepared to vote whether or not we want to enact a property tax or gross receipts tax. Out backs are against the wall here, and that is no way to make decisions in the best interest of the citizens. I think any kind of tax increases are off the table just by virtue of us running out of time."

Councilor Maestas continued, saying this is the reason he would focus on the fees which are recurring in enterprises that are bleeding money. He would like to institutionalize the franchise fees for water. He said wastewater and solid waste are providing free services to the City of \$1.2 million, which "I factored that in there." He said his proposal is based on historical information with the exception of the proposal to cut positions which came from the City Manager and was in that December Resolution that we passed requesting efficiencies.

Councilor Maestas continued, saying he is willing to consider other revenue enhancements, reiterating our back is against the wall, and "we're going to look like we're rushing into revenue enhancements without fully exploring right-sizing government, and addressing certain issues that need to be studied, like evaluating services and identifying where we can curtail services which don't impact public safety and the poor and the disadvantaged." He reiterated we're running out of time to do some things, and reiterated he thinks we need to go first with cuts. He sees a lot of merit to things in the bill, reiterating we don't have the luxury of time to get reports on some of these issues.

Councilor Maestas said we need consensus and this is the reason he didn't include a framework for fiscal years 18/19. He thinks we should focus on the upcoming fiscal year and go from there. He said, "We've already done the benchmarking, that's been done. Yes, it's apples to oranges Councilor Rivera, but it does give us some orders of magnitude in terms of differences in staffing between all the various cities that were already evaluated. I mean, a calculation was done at the bottom of this and it says the average FTEs per 1,000 population, based on per capita, if Santa Fe had to have an average number of FTEs per capita in comparison to these benchmark cities, we basically have 487 positions over that average."

Councilor Maestas continued, "You know, that's just a rule of thumb, just an indicator, but I think it means we're a little on the fat side, who knows how much. We don't want to cut indiscriminately, but that's almost 500 positions, that's looking at Santa Fe on a *pro capita* basis relative to these other cities that were benchmarked. So that gives us an idea. Cutting 75 positions I don't think is going to really, seriously slash any particular service tremendously. And I wouldn't advocate doing it. I think the City Manager can do that. And I think the public really wants us to focus on cuts first. So maybe this time crunch is fortunate. It's going to force us to look at cuts. And if you see my framework, it's not all cuts. There are some

revenue enhancements through targeted fee increases. And your comment about the \$3 million, Mr. Chair, the Stormwater Fee brings in \$1.5 million alone. If we were to double the Stormwater Fee, as an example, there's half of that \$3 million, so \$3 million is very doable in there, in terms of fee increases. And I would never advocate to go and jack-up the fees at the GCCC and turn everybody off. No. So, this is almost kind of an emergency framework if you will, and so I would like it considered. I'd like it entered into the record at least [Exhibit "3"]."

Councilor Maestas continued, "In terms of this bill, I think this is a great bill for FY 18/19, not so much for 17/18, and unless the sponsors want to meet... because there is a lot of duplication, things that have already been done in here that are being requested." He reiterated again the idea of looking at taxes is premature because we're out of time, even on a policy basis. He doesn't see us holding public hearings to consider a gross receipts tax increase at this point. He reiterated that we need consensus on a fundamental level.

Chair Dominguez said, "We all respect your opinion and your position. And I think the reality is that it doesn't have to be one person's way, or one person's idea. I think the idea is to get a collaboration, and I'm glad to hear that you would be willing to sit down with others to maybe come up with a compromise or something that works. In terms of right-sizing government, that's been going on for a long time, and not necessarily by choice. We have been having to right size government for many many many years, because we haven't had the luxury... we don't have the revenue we used to have. So, right-sizing government isn't something that is going to happen over the course of one bill or one cycle. It's going to have to continue to happen for quite some time, quite frankly."

Chair Dominguez continued, "When we look at staffing levels, for me, we are at that point now, Councilor Maestas, where we have to decide what positions need to be cut, if we're going to go in that direction. Because there should be no sacred cows if we're going to be as progressive a community as we want to be. There are tough decisions that need to be made. And tough decisions don't come just in the form of cuts. Tough decisions also can come in the form of what we haven't done in this community for many many years, and that is to raise revenue through taxes. So tough decision aren't just what cuts we are going to make. Tough decisions can come in the choice of raising revenue through taxes. That certainly is a tough decision to make."

Chair Dominguez continued, "You know, I like some of what you propose. The other efficiencies like O & M and Travel, and Insurance, Benefits and Overtime. I think these definitely are things we need to look at. In fact, I brought that up at the last meeting. Your first item about taking permanent classified positions, the average per year, \$3.75 million, that has already been addressed in the bill. He said Stormwater is already providing free services. So it's a play on words in many ways. It's like we just won't charge you for the service that we're providing you."

Chair Dominguez continued, "And then, there are the fee increases. I think we need to look at those, because we're going to double Stormwater which is only half of the \$3 million in revenue you're talking about. The GCCC. I'm not sure how much more we can squeeze out of there. The MRC. The same thing with the Airport. Licenses and permits. If we increase our licenses and permit revenues by 10%, what does that look like. \$1.5 million is a lot to make up, and so I'm not saying that we should

consider them. There is a place for some of this in the bill, right. If you look at that piece alone, just the fee increases, you can simply put in the bill that we look at potential fee increases as well. It's not as if the staff isn't doing anything while we're having these discussions. We are looking at some of these items. Right Brian."

Mr. Snyder said that is correct.

Chair Dominguez said he thinks it's something that needs to be folded into the discussion.

Chair Dominguez continued, saying, "I don't think we're ready to vote on your bill tonight Councilor Ives, and in all fairness to Councilor Lindell, it is unfair to bring a bill that has been amended so heavily for consideration at the last meeting." He said he may propose, or may consider a special meeting to focus just on the Substitute Resolution. He said we need to get something on the table with which we can agree or disagree and move forward.

Councilor Lindell asked if February 9, 2016, would be good for a special meeting to discuss just this particular bill.

Chair said, "I'm going to ask that we do two things. Number one, any potential amendments be submitted by the end of business on Friday February 5<sup>th</sup>. I don't want last minute kinds of amendments. And that we take absolute action on this bill on February 9<sup>th</sup>, one way or another."

Mr. Rodriguez said the whole purpose of the framework in this Resolution is to have instructions to pass to Department directors so we can do the budget. He said this means the staff will have less time to prepare a budget, which means less time for the Council to deliberate on this budget. He said, "I'm just saying just put all information on the table."

Chair Dominguez said if we can get to the point where we provide clear direction on the budget, hopefully it won't take as long for staff to contemplate, although he understands all of the work that needs to go into it. However, it would be worse if we didn't provide the clear direction, however long it takes for us to get it to you.

Councilor Maestas said he would like to suggest an agenda item for a report on the December Resolution regarding efficiencies to precede any action on this bill, and perhaps to get the report prior to the meeting.

Chair Dominguez said he doesn't want staff to provide us with something that means nothing. "If they're not prepared to provide us with something, then they're not prepared."

Councilor Maestas said he can't take action on any legislation that duplicates policy that we have deliberated, discussed, gone through committee and then adopted.

Chair Dominguez said if it has to be rolled into this, he is open to that.

Councilor Maestas said he can't answer that until he knows what staff has done, if anything, to implement the Resolution on efficiencies.

Mr. Rodriguez said first, the Resolution starts from the standpoint that staff has been given some priorities. He said staff can do those priorities.

Councilor Maestas asked him to send a copy of that Resolution to the Committee, and Mr. Rodriguez said he will send it tomorrow morning.

**MOTION:** Councilor Lindell moved, seconded by Councilor Trujillo for purposes of discussion, to hold a Special Finance Committee meeting to discuss the budget Resolution, providing guidance on the structure of the budget of the City of Santa Fe and certain reporting requirements, on February 9, 2016, at 4:00 p.m.

**FRIENDLY AMENDMENT:** Chair Dominguez would like to amend the motion to provide that on February 5, 2016, at the close of business, all amendments, questions or concerns be provided to the Finance Chair and staff. **THE AMENDMENT WAS FRIENDLY TO THE MAKER AND SECOND, AND THERE WERE NO OBJECTIONS BY THE OTHER MEMBERS OF THE COMMITTEE.**

Councilor Maestas asked if "we submit amendments that aren't agreeable to the sponsors," will those be stand-alone amendments to be considered at the Special Meeting.

Chair Dominguez said his hope is to get as much information, as early as possible, so we can incorporate in a formal an organized fashion for Committee consideration. He doesn't want what happened tonight, commenting we need time to talk about any new written proposal.

Chair Dominguez said, regarding Councilor Maestas' proposal, he will talk with staff to see what they have proposed, and decide whether to bring it back. Chair Dominguez told Council Maestas he will talk offline with him to make sure he understands exactly what it is that Councilor Maestas wants.

**VOTE:** The motion, as amended, was approved unanimously on a voice vote.

*Councilor Ives and Mayor Gonzales departed the meeting*

**7. DISCUSSION ON MONTHLY FINANCIAL REPORT ENDING NOVEMBER 30, 2015 (OSCAR RODRIGUEZ)**

Mr. Rodriguez noted the *Fiscal Year-to-Date Financial Performance Report as of November 30, 2015* which is in the packet which coincides with the last GRT payment through that period. He said his summary comments are included, and the bottom line is that the GRT is right in line with the budget, and based on that, staff is going to stay with the projection of 3% above budget.

Andy Hopkins, Budget Analyst, noted he has tightened projections in some areas based on staff feedback, while loosening numbers in other places. He said there is nothing remarkable on the expenditure side or the revenue side for that matter.

Responding to the Chair, Mr. Hopkins said a 10% increase across the board in Licenses and Permits would produce about \$250,000. He said it is important to remember that there are a wide variety of licenses and permits – animal licenses, liquor licenses, business licenses and so forth.

Mr. Rodriguez said there was a rosier picture this summer, but things have slowed a bit as well as the State economy around us. He said, "We are on an island in a significant slowdown in the State economy so far."

Councilor Maestas asked, regarding the Airport, if there will be a recommended fee structure by the end of the fiscal year.

Mr. Hopkins said he doesn't know the schedule or deliverables on that contract.

Mr. Rodriguez said there is still \$500,000 outstanding.

Councilor Maestas said the year-end deficit in funds is almost \$4 million, commenting this will be recurring if we don't make those funds whole.

Mr. Rodriguez said we can no longer take funds from the Water Fund, so it would have to come from the General Funds which would bring other cuts, noting without specific Council direction those programs would be closed.

Councilor Maestas said it is important to redefine the deficit which now may be \$18 million as the Mayor said earlier. He said we need to agree on that number going into the budget process, which could be recurring unless we take pro-active steps to fix these funds in deficit at the end of each FY.

Mr. Hopkins said one of the reasons the State is concerned about its revenue picture, is because the State is quite heavily dependent on oil and gas revenue, the largest of which is the GRTs from oil & gas drilling. However, the City really isn't that dependent on that source of revenue.

Chair Dominguez said last year he asked if there was a possibility o break out the MRC from the Golf Course.

Mr. Hopkins said they are in the process of doing that, and the MRC has been tasked to go ahead and charge expenses to the new Golf Course business unit. He said those two enterprises were effectively fused over a long period of time, and it was difficult to separate them. The decision was made to get experience by getting the golf course its own account to keep those bills separate.

Chair Dominguez said he has been told when you separate the golf course from the MRC, the Golf Course is generating its expenses through its fees, but the fields are not. He said we need to see those figures and it needs to be clear before considering raising fees at the MRC.

Mr. Rodriguez said the free effluent to the MRC is substantial, and a big help to the operation of the MRC fields and the Golf Course.

Chair Dominguez said he understands there can't be two separate enterprises because of the way it is set up, but he would like to get a clear picture on the operating costs between the two.

Mr. Hopkins said the deficit at the MRC was due to an adjustment on an overpayment in GRT debt of some sort. He said two years the MRC was solid, and because of this large correction, "got put down to insolvency." He can provide that information once that process is complete.

**8. CONSIDERATION AND APPROVAL OF FRAMEWORK FOR CLOSING THE CITY'S STRUCTURAL OPERATING DEFICIT AND PROVIDING DIRECTION TO STAFF FOR PREPARATION OF FY 2016/17 BUDGET.**

A copy of *Councilor Maestas' Deficit Closing Framework*, is incorporated herewith to these minutes as Exhibit "3."

This item is postponed to the meeting of February 9, 2016.

**CONSENT CALENDAR DISCUSSION**

- 9. EAST ALAMEDA PEDESTRIAN IMPROVEMENTS PROJECT, FROM EL ALAMO TO PATRICK SMITH PARK DRIVEWAY. (JAMES MARTINEZ)**
- A. REQUEST FOR APPROVAL OF BID NO. 16/15/B AND CONSTRUCTION AGREEMENT – EAST ALAMEDA PEDESTRIAN IMPROVEMENTS WITH THE BASE BID AND ADDITIVE ALTERNATIVE IN THE AMOUNT OF \$316,822.89; GM EMULSION, LLC.**
  - B. REQUEST FOR APPROVAL OF AMENDMENT NO. 4 TO PROFESSIONAL SERVICES AGREEMENT – CONSTRUCTION ENGINEERING AND MANAGEMENT SERVICES FOR EAST ALAMEDA PEDESTRIAN IMPROVEMENTS PROJECT IN THE AMOUNT OF \$31,144.02; SANTA FE ENGINEERING CONSULTANTS, LLC.**
  - C. REQUEST FOR APPROVAL TO UTILIZE CITY OF SANTA FE TEMPORARY STAFF EMPLOYEES FOR PROJECT MANAGEMENT AND INSPECTION AS REQUIRED PER NEW MEXICO DEPARTMENT OF TRANSPORTATION REQUIREMENTS.**
  - D. REQUEST FOR APPROVAL OF BUDGET ADJUSTMENT IN THE AMOUNT OF \$15,840.**

Councilor Lindell asked for clarification of the additional \$31,144.02 for engineering in Amendment No. 4.

James Martinez said that is to contract with an Engineering consultant to perform any construction engineering services that may arise, or questions the contractor may have, as well as to oversee any of the testing requirements, testing data, submittals. He said it is to verify our information prior to submitting to the DOT for reimbursement.

Councilor Lindell asked the reason that wasn't included in the original bid.

Mr. Martinez said initially there were Phase 1 and 2 services, and the design, and it was only to get it out to bid. We are now moving into Phase 4, the construction, and we want to amend the original On-Call contract, which at the time included construction, engineering and management. He they asked SF Engineering for a quote for those types of services, and they quoted this amount.

Councilor Lindell said then we really don't know the amount of money we're approving, and then there are amendments. She doesn't think this is a good way to do business.

Chair Dominguez said this is an amendment, so you don't have to go out to bid again for another contract.

Mr. Martinez said that is correct, otherwise we would have to rebid the project.

David Quintana, Engineering Supervisor for Roadways, said the reason it wasn't part of the original contract is we received \$385,000 from the DOT as part of a grant for design and construction. We got into the contract with Santa Fe Engineering for design of this project, they helped us put together the bid package, noting the bid came in a little under anticipated. That way, we can include the alternative and it provided a little funding left over from the original grant to amend the PSA with Santa Fe Engineering to answer questions and provide testing for the project.

Councilor Trujillo said he understands Councilor Lindell's concern. He said we know we need testing on this project, and asked if that was factored into the bid.

Mr. Quintana said, "Once we were able to provide the scope of services needed to Santa Fe Engineering, then they could provide us a man hour estimate and that is the basis for the \$31,000."

Councilor Trujillo said then they can then bring it forward without the estimate.

Mr. Quintana said that is correct. He said regarding it not being part of the bid, DOT would not allow us to include that as part of the contractor's bid.

Councilor Trujillo asked if this went to the DOT Commission.

Mr. Quintana said it would have gone to the Commission when it was programmed into the STIP initially, so it went through the Commission several years ago.

Councilor Trujillo said regarding bids, it would be helpful to get a listing of what everything is going to cost and the timeframe. He said it seems as if we are asking for more, but it already was in the bid price and "I just wanted that to be clear."

Mr. Quintana said that is actually correct. "Until we actually got a bid for construction of the work, we had no idea what was left over so we could amend the PSA. There may have been no money left over, in which case we would have gotten from City funds. Ultimately these are all federal aid grant dollars that were appropriated."

Chair Dominguez said then the alternative would be to do a whole new bid.

Mr. Quintana said the engineer of record is best able to answer any RFI's the contractor has. And since they were putting in a man hour estimate for the services, it made sense for them to provide estimates for testing that will be required.

Chair Dominguez said then there is a reason based on the profession to continue the process and there is some efficiency in doing it this way as well. The alternative is to put out a separate bid for these services.

Mr. Quintana said that's exactly right, noting often they end up doing sole source contracts.

**MOTION:** Councilor Trujillo moved, seconded by Councilor Rivera, to approve this request.

**VOTE:** The motion was approved unanimously on a voice vote.

**10. REQUEST FOR APPROVAL OF AGREEMENT BETWEEN OWNER AND CONTRACTOR – MARY ESTHER GONZALES SENIOR CENTER WAREHOUSE AND COMPUTER LAB ADDITION; CES/FACILITYBUILD, INC. (LeANN VALDEZ)**

Councilor Lindell said there is an agreement in the amount of \$559,824, and two grants that total to about \$435,000, and Mr. Pino said that is correct.

Councilor Lindell said then we are about \$125,000 short.

Mr. Pino said what isn't listed is the \$230,000 grant from the New Mexico Aging and Long Term Services, which proves ample funds to finish the project.

Councilor Lindell said the Agreement was to plan, design, construct and equip, but she doesn't see any equipment anywhere in the Agreement.

Mr. Pino said this is legislative money and that comes from the broad title of the legislative for capital outlay, and we always put out that title to include everything. He said the fact that it says equip doesn't necessarily mean there would be equipment, but if there were some, it would be covered by the title so we could use legislative funds to pay for it.

Councilor Lindell said she doesn't understand. She said there is a given amount of money to do a Senior Center warehouse, commenting she doesn't know what that is. She said it appears we're short of funds to complete and equip the project. She asked if we are building a lab for which we don't have funds to put the computer equipment into.

Mr. Pino said, "We have the money we need to do the computer lab and the warehouse. Don't forget we process a lot of meals and food through meals on wheels and that is what the warehouses are used for primarily."

Councilor Lindell asked if there are funds for computer equipment.

Mr. Pino said yes.

Councilor Lindell asked the source of the funds.

Mr. Pino said it comes from the grant agreements with the New Mexico Aging and Long Term Services Department.

Councilor Lindell reiterated she saw no funds for equipment.

Mr. Pino said he can see how it would look that way without knowing about the additional \$230,000.

**MOTION:** Councilor Lindell moved, seconded by Councilor Rivera, to approve this request.

**DISCUSSION:** Chair Dominguez asked Mr. Pino to change the Memo to reflect the additional \$230,000 before it goes to the City Council.

Mr. Pino said he would do so.

Councilor Rivera asked Mr. Pino if this request will involve a BAR, or is the other \$230,000 already in the correct account.

Mr. Pino said he doesn't know the answer, noting he is standing in for LeAnn who had to pick up her child from child care. He can get that information in the morning.

Councilor Rivera asked if it requires a BAR is it appropriate to go to the Council for the BAR approval or does it need to come back to this Committee.

Mr. Rodriguez said the main decision here is to approve the funds.

Councilor Rivera reiterated there isn't a BAR for the additional \$200,000, and asked if that would delay the project another 2-4 weeks if staff had to come back for a BAR, commenting he is trying to save staff some time. He said if it has to come back, then so be it.

Chair Dominguez said hopefully this doesn't get kicked back to the Committee at Council because there is no BAR.

Mr. Pino said, "You'll have everything you need at Council, Councilor."

**VOTE:** The motion was approved unanimously on a voice vote.

**11. REQUEST FOR APPROVAL OF AMENDMENT NO. 2 TO PROFESSIONAL SERVICES AGREEMENT – ANNUAL TECHNICAL SOFTWARE SUPPORT, HOSTING FEES FOR WEBSITE PORTAL, FIXED ROUTE AND PARATRANSIT LICENSES AND WIRELESS SERVICE FOR FY 2015/16; ROUTEMATCH SOFTWARE, INC. (JON BULTHUIS)**

Councilor Lindell asked if real time data currently is being pushed.

Annette Granillo, Operations Manager, Santa Fe Trails, said yes.

Councilor Lindell asked how often and where is that displayed – how does that work.

Ms. Granillo said currently, Santa Fe Trails has an App that can be downloaded on both *[inaudible]* and android, as well as the desktop, noting it is right on the City website under Trails – there is a big red button says Find My Bus.

Councilor Lindell's asked if we know how many times the Ap has been downloaded.

Ms. Granillo said she doesn't know, but she can get that information for her.

Councilor Lindell said she would like that information.

Councilor Lindell noted the request is for \$47,536 or annual technical support and hosting fees, and asked what we are getting for that money.

Ms. Granillo said IT is unable to maintain their website so there is a hosting fee with the vendor, that maintains all City Transit websites and tablets so they go directly to the vendor who hosts it. She said, "We come in and it's off a web base."

Councilor Lindell said then the driver indicates their location at a certain time.

Ms. Granillo said, "No. We go into the software and we build the route. As the driver passes the GPS coordinate, it uploads through the software on the tablet and displays it on our display, so it is with 15 minutes. Again, you can play with the display amount. 15 seconds was good, but they can go down to 2 seconds, but that's a whole lot of data that isn't useful for more than 15 seconds.

Councilor Lindell wants to know how many times the App has been downloaded, because we will have more than \$400,000 in this after this Amendment, which is a lot of money.

Ms. Granillo said it can be for the actual hosting fees, but asked the Committee to remember this is also for the software so the employees can use it for paratransit, the fixed route and Santa Fe Pick-Up. Santa Fe Pick-Up doesn't have a schedule, so it provides information for both tourists and regular commuters. The software for paratransit services allows customer service representatives to enter the trips and schedule them to vehicles so we can negotiate times with people who are using door-to-door services also with that software as well.

Councilor Lindell asked how someone who just wants to ride Santa Fe Pick-Up would know to download the App.

Ms. Granillo said they work with Randy Randall through OTAB and other connections and "we can deliver these all the way through." She said they make presentations everywhere, and through customer service information, they guide them through downloading the Apps. She said they have made several connections with the Railyard Management Group to push with their vendors so their vendors know to go ahead with their customers. It's been all the way through and they have had a big return in comments that they really appreciate the app.

Councilor Lindell wants to see those numbers and Ms. Granillo said she will provide them.

Councilor Rivera asked if this app allows them to watch the location of the buses from a dispatch center, desktop or an office, so you can make adjustments or find out why buses are slower. Or is this specifically the app for the public.

Ms. Granillo said both. It alerts the dispatcher if the bus is behind schedule more than 5 minutes, or any specific period of time you would like, noting they have it set for 5 minutes or more. It also allows checking for customers, mostly on inclement weather days when there are too many buses not running its correct schedule due to weather delays. She said both the customer and the customer service reps can give information both to the customer and the dispatch center to help the buses.

Councilor Rivera said then it's not only for the consumer, but there's a management piece to it.

Ms. Granillo said that's correct.

**MOTION:** Councilor Rivera moved, seconded by Councilor Maestas, to approve this request.

**VOTE:** The motion was approved unanimously on a voice vote.

13. **REQUEST FOR APPROVAL OF GRANT AWARD AND SERVICES AGREEMENT – YOUTH CONSERVATION CORPS PROJECT FOR WILDLAND URBAN INTERFACE; STATE OF NEW MEXICO, YOUTH CONSERVATION CORPS COMMISSION AND APPROVAL OF BUDGET ADJUSTMENT IN THE AMOUNT OF \$103,608.88. (PORFIRIO CHAVARRIA)**

Councilor Lindell asked if the grant sets the wage on this.

Officer Porfirio Chavarria said he sets the wage when he applies, and then the grant approves the wages in the grant application.

Councilor Lindell said these are temporary employees, and asked Mr. Rodriguez if the City is mandated to pay a benefits package to all employees at this point in time that are temporary over 90 days.

Mr. Rodriguez said that his understanding.

Councilor Lindell said, "I hear of other employees in the City that are full-time temporary employees that have been employed for a long time that don't have a benefits package."

Mr. Rodriguez said, "Well, we expect those chickens to come home to roost sometime pretty soon."

Councilor Lindell said her calculations are for an annual salary of \$72,000, including a benefits package.

Officer Chavarria said 6 positions are funded under the grant.

Councilor Lindell said it is \$178,000, divided by 5.

Officer Chavarria said, "This is how it breaks down. It is roughly \$73,000 in wages and FICA for 5 temporary employees, and it also pays for one person with full benefits. Basically there's 5 positions. And one is a permanent position at \$15 per hour plus benefits. And then one crew leader at \$13.40 an hour. My understanding is it is their base salary plus any FICA that would be added to that, and then 4 crew members at \$12.95 each, which is their base salary plus FICA. And these are the 5 temporary positions."

Councilor Lindell said those numbers don't add up for her.

Officer Chavarria said there also is some education and miscellaneous in-kind equipment costs in the total of \$178,000.

Councilor Lindell appreciates and likes the program very much, but thinks there is a lack of clarity in packet on what we pay for. She said the packet reads that we're paying almost \$180,000, noting it says, '*...the grant hires 5 full time temporary employees for 6 months.*' She said it doesn't say anything about any full time, permanent or any equipment or training. She doesn't need more information now, but the next time around she would like the packet to be more clear which would be helpful.

Officer Chavarria said he can attach the grant application which outlines the items for which we are paying.

**MOTION:** Councilor Lindell moved, seconded by Councilor Trujillo, to approve this request.

**DISCUSSION:** Chair Dominguez asked Officer Chavarria to be sure to add the requested information to the packet before it goes to Council.

Officer Chavarria said he will see that is done.

**VOTE:** The motion was approved unanimously on a voice vote.

17. **REQUEST FOR APPROVAL OF A RESOLUTION DIRECTING STAFF TO DESIGN, DEVELOP AND IMPLEMENT A PILOT TEEN RESOURCE CENTER THAT WOULD BENEFIT THE YOUTH OF SANTA FE (COUNCILORS DOMINGUEZ AND BUSHEE). (CHRIS SANCHEZ) Committee Review: Public Works Committee (approved) 01/25/16; Children and Youth Commission (approved) 01/26/16; Mayor's Youth Advisory Board (approved) 01/28/16; and City Council (scheduled) 02/10/16. Fiscal Impact – No.**

Councilor Lindell said she doesn't know what a Resource Center is, and it isn't defined in the Resolution. She is surprised there is no cost associated with the Resolution.

Chair Dominguez said a resource center is something that was flushed out of the Youth Summit several months ago. He said that can be better defined for her. He said it is a center where teens can go to get a various number of resources. He said in terms of cost, that was his first question. There is no cost to this because it is developing a program or a pilot program at the existing Teen Center. It is going through the process of defining what resources teens want and figuring out how to implement that at the existing center, so it can be duplicated, hopefully, at a future center if there is ever time and money to do that. There is no cost.

Councilor Lindell said then this doesn't include a final project, it just identifies what a resource is.

Chair Dominguez said, "Partially yes. Going through the exercise at the Carlos Ortega Center and defining what kinds of resources teens want in a teen center."

Councilor Lindell said she appreciates the Chair bringing this forward, but she doesn't know what she is voting on. She knows it is a pilot project to implement a pilot center, but she really doesn't know what it is.

Chair Dominguez said they have an idea of what they want. He said, "When they went to the Youth Summit, they came up with an idea of what they want. But, I think it's realistic to say that they're not going to get everything they want."

Councilor Lindell said creating a new Youth Resource Center is an expansion.

Chair Dominguez said we aren't creating one.

Councilor Lindell asked, "Then why are we bothering to do this."

Chair Dominguez said what they want to do is to establish a model, so if there ever is the time, energy and money to shift services, shift resources or we come up with new resources, that we have the model in place to develop that in another location.

Councilor Lindell said she appreciates it, but in the caption, it says, '*... implement a Pilot Teen Resource Center.*' She said, "So, I'm sorry. At best I can abstain on this, because I do see it as an expansion right now. And I'm, again, not very clear about what's being asked for here. It's like saying we aren't going to give pencils to elementary kids. It's just... design, develop and implement. I'll let someone else take the lead on this."

**MOTION:** Councilor Trujillo moved, seconded by Councilor Rivera, to approve this request.

**DISCUSSION:** Councilor Maestas, referring to page 3, line 9, it says, '*Now, Therefore, be it Resolved by the Governing Body of the City of Santa Fe that staff is directed to design in partnership with private partners, a pilot Teen Resources Center...*' He asked if that implies it all will be privately funded.

Chair Dominguez said, "No. I think right now, it's intended to potentially get private sponsors. For instance, at Zona del Sol, the south side is being funded by private monies. It's not public monies that is providing our teens with services out there. I think this is kind of intended to figure out how we can formulate a public/private partnership in the model at Carlos Ortega, and hopefully even emulate that at another site if that opportunity ever comes up."

Councilor Maestas said, "Now you guys intend to bring this back right. Let's just say that you do find a partner out there, but they can't fund it 100%."

Chair Dominguez asked if that is Carlos Ortega, and Councilor Maestas said yes.

Councilor Maestas said, "This may not require any new money, because we have existing funding for operations there."

Chair Dominguez said, "Existing funding. And staff has the capacity to.... really what they're looking for is a way to redevelop the program that exists now, so that they can take that, copy it in another location if that opportunity exists. So I guess, to answer your question, I don't know. It's a tough one. I imagine if there is some monetary... some sort of monetary issue that needs to be brought to the Governing Body, it would be. But if there's a private entity that is going to provide 5 computers. I don't know if that needs to come back."

Councilor Maestas said, "I think you probably want to have some programming that is attractive to any foundations or private partners out there, and so we would make some amendments to garner that commitment and partnership from these private partners. I share the same concerns with Councilor Lindell, but if this is going to require any money above and beyond what's already budgeted, it's going to come back to this body. And I think we should always try to be as innovative as we can in helping to address some of the needs of our teens. I think it's great that you're actually following up, because you know how young people think – you don't care about us. You don't listen to us. We surveyed them and I think you guys are taking those results and acting on them. I commend you guys for that. I think it's very important. I just want to make sure that at this point, this is revenue neutral, and we're talking about existing revenues. But if the recommendations are that this model may require additional funds, then we would have to have a separate discussion."

Chair Dominguez said he agrees with that, and "if we need to put that in there, that's fine. I wouldn't anticipate that we would build a new center without having funds. We've thought about it in the past, that we just shift resources from one location to the other. Right. So, do we shift the operation from location and put it in another, but there is no other location right now."

**VOTE:** The motion was approved on a voice vote with Councilor Rivera, Councilor Trujillo and Councilor Maestas voting in favor of the motion, no one voting against, and Councilor Lindell abstaining.

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**END OF CONSENT CALENDAR DISCUSSION**  
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**DISCUSSION**

**19. REQUEST FOR APPROVAL OF SETTLEMENT AGREEMENT WITH ANASAZI GALLERY TRADING ON BUSINESS LICENSE. (ZACH SHANDLER)**

A copy of a Memorandum dated January 22, 2016, with attachments, to Councilor Dominguez, Finance Committee Chairperson, regarding Business License – Settlement Agreement, is incorporated herewith to these minutes as Exhibit "4."

Zachary Shandler, Assistant City Attorney, said, "It's been a long evening. I submitted a Memo [Exhibit "4"]. I will stand for questions."

Responding to a question from the Chair, Mr. Shandler said this was heard in May 2015.

Councilor Maestas said, "I can't believe this is back before us. And while I think it is great there is some kind of agreement, I can't help but think back about the discussion we had over this issue. And when we were having the discussion, I was looking up the corporate records of both entities, Anasazi Gallery, Inc., and Anasazi Gallery Trading, Inc. And I know there are some affidavits in here from the bookkeeper and from Mr. Nassar, but I'm still puzzled, and I guess the basic message is that Mr. Nassar, Amjad, was just an employee of Anasazi Gallery, Inc. But if you pull up their records on the Secretary of

State's website, Anasazi Gallery, Inc., is still an active corporation in good standing until March 15, 2017. But Mr. Amjad Nassar is not only on the Board of Directors, he is the Vice-President of Anasazi Gallery, Inc., and so for us to be giving an affidavit basically saying he was nothing more than an employee, still gives me pause. And I'm not saying that these gentlemen, the bookkeeper and Mr. Nassar were untruthful in their affidavits. But given Mr. Nassar's double titles within the Anasazi Gallery, Inc., just gives me pause."

Councilor Maestas continued, "And I can appreciate getting an affidavit from Mr. Martinez who was the bookkeeper, but I think a more credible affidavit, Mr. Chair, should have come from the Registered Agent for Anasazi Gallery, Inc., Mr. Douglas Azar. So I just don't know what to think. I am unsure about supporting this agreement at this point, Mr. Chair. That's all I had."

Councilor Lindell thanked Councilor Maestas for delving into this issue, noting she didn't delve in and look at the Corporate information. She asked Councilor Maestas if she heard him say that Mr. Nassar is the Vice-President."

Councilor Maestas said he is the President of Anasazi Gallery, Inc., which is the company previously at this location, noting he also is on the Board of Directors.

Councilor Lindell said Mr. Nassar is listed as the President on the Settlement Agreement, instead of the Vice-President, noting it is the new company, and asked if it is called Anasazi Trading, Inc., and if that is the same name.

Mr. Shandler said the name was changed slightly.

Councilor Lindell said then it's Anasazi Gallery now, instead of Anasazi Gallery Trading, and Mr. Shandler said yes.

Chair Dominguez asked, "Is that just more of the same of what we've been dealing with."

Mr. Shandler said, "No, Mr. Chair. As part of my Memo, I said that in the Fall you adopted a significant Code change, giving the Land Use Director new powers to stop this revolving situation from happening again. And one of the things the Land Use Director can consider is the name and ownership structure in denying a permit."

Councilor Lindell these things are such a tangled web. She said, "I get Anasazi Trading Gallery confused with Anasazi Gallery. I'm not sure how the agreement to not apply for a Distress Merchandise Sale Permit for two years.... why is that like a settlement. Why is that us getting something out of this, or how is that beneficial. Say they go out of business. Then they're not going to hold a Distress Sale or a Going Out of Business Sale."

Mr. Shandler said, "That is correct. They can go out of business. They have voluntarily, beyond the requirements of the Ordinance, said for two years they're not even going to apply for a permit. Obviously, we would like to have a lot of concessions. We'd like to go to the end of the earth with this.

You have limited time as Councilors. We have these one hour windows. This case already took one hour of your time. You spent an hour on your budget discussion. I'm not sure how far the ball has moved. And so, I guess what I... I would love to win every case, but sometimes you have to say this is the best we're going to do on this particular priority, and you have other priorities you need to spend your hour blocks on."

Councilor Lindell said, "I appreciate that clarity Zach. I'll just ask one more question about it. If we don't approve this, where are we then."

Mr. Shandler said, "If you don't approve this, then I will to the City Council. Well, I have to meet with my boss to determine whether we have the evidentiary material to proceed with the revocation."

Councilor Lindell said, "I see. I get it. Why put any more time in this, even though I don't think any of us probably feel particularly good about this, but I hear what you're saying to us, Mr. Shandler, and I appreciate it."

**MOTION:** Councilor Lindell moved, seconded by Councilor Trujillo, to recommend to the City Council, the approval of the Settlement Agreement with Anasazi Gallery Trading on Business License, as presented by Zachary Shandler, Assistant City Attorney.

**DISCUSSION:** Chair Dominguez asked Mr. Shandler how much time he has spent on this case.

Councilor Lindell said, "Too much."

Mr. Shandler said, "In the Springtime, I did spend a considerable amount of time, let's just say 20 hours."

Councilor Maestas said, "Just a comment for the record, though. I know that... the kind of the chain of events, we had a discussion to revoke the business license, and an effort is made by the administration to change the law to kind of take us out of the equation and empower the Land Use Director, I guess, in these cases now. And now the issue comes back with a compromise. So I don't have any factual basis to vote against this. And yes, I voted for the Code change, but I did not expect this particular issue to come back. And so, with regard to the Affidavits and the sequence of events, this is not passing the smell test. But again, I don't have enough facts to vote against it. So I will reluctantly support it, but I'm going to hold my nose. So when you vote..."

Chair Dominguez said, "I'm going to support it as well, but I think we need to articulate the fact that it doesn't pass the smell test. It's just one of those things that now, that's going to be the message that we send to the rest of the business community. You can wiggle your way around this thing. Anyway. Councilor Lindell."

Councilor Lindell said, "I don't like it either, but I don't like for Legal to spend any more time on this."

Chair Dominguez asked, "How much does Mr. Sommer cost. Anybody know. How much did this guy spend on his defense, let me ask that. Do you know."

Mr. Shandler said, "It's speculation, but most good attorneys charge \$150 to \$200 an hour."

Councilor Maestas said, "I was elected to do this job, and if I need another ten minutes to discuss this, I'm going to take the ten minutes. So, regardless of whatever staff feedback we have in terms of how we're allocating our time to issues, I think that's up to us to decide."

Mr. Shandler said, "I'm not going to say anything further."

Councilor Lindell said, "I've made my motion and Councilor Trujillo seconded. I don't think any body is very excited about it."

Councilor Rivera said, "He can apply for and open a business as soon as Council passes this, I assume, within a certain time frame."

Mr. Shandler said, "He has a business license. In the last year, he's been in good standing with his business license. This is about the Going Out of Business Permit. So, if the Council approves the Settlement Agreement, then that will be the two-year clock going forward, where he is voluntarily not going to apply for a Going Out of Business Permit."

Councilor Rivera said, "So, we're assuming by limiting the two years, that once the two years is up, he is going to go back to what he did. Why the two years. Why not an indefinite amount of time."

Mr. Shandler said, "The State law talks about a three year period, and once you calculate the other brothers' permit, so when the other brother will actually be getting a better deal, but if we said indefinitely, we would risk going contrary to the State law this is based on."

Chair Dominguez said, "Good job, Zach, for what it's worth. It's just one of those things."

**VOTE:** The motion was approved unanimously on a voice vote.

## **20. MATTERS FROM THE COMMITTEE**

A copy of Bills and Resolutions scheduled by introduction by members of the Governing Body, for the Finance Committee meeting of February 1, 2016, is incorporated herewith to these minutes as Exhibit "5."

Chair Dominguez introduced the following on behalf of Mayor Gonzales: A Resolution opposing proposed Legislation, Senate Bill 226 – providing that all receipts from the sale of fine art are to be reported from the place where the art is sold; distribution revenue attributable to the sale of fine art to the Cultural Affairs Department for three years.

Councilor Maestas said, "Just a comment for the record, I think a year ago when we were brainstorming on how to address the budget challenges, one thing I had mentioned was that we have duplicative Transit services and duplicative Solid Waste services. We have, essentially, regionalized those two service areas with the exception of the City of Santa Fe, so there's a big old donut hole there. So, I'm going to bring forth legislation requesting that we look into the feasibility of regionalizing Transit and Solid Waste. That's all I have Mr. Chair."

Councilor Rivera said, "At the last meeting, I asked Oscar to have Matt look into how much the property was worth there on Siler Road. And preliminary figures we received are at \$13.4 million. Is that right Matt."

Matthew O'Reilly, Assets Manager, said, "That is a very rough estimate, based on a range of what I think the price could fall in, in terms of appraisals of the property, and that is only an estimate of the vacant land. As you know, we have significant improvements on the land that, in some cases, would increase the value."

Councilor Rivera thanked Mr. O'Reilly for staying for this agenda item. He said, "As we begin to move forward with the budget, I would like us to keep this in mind. I'm not sure we'll be in a situation, at least in the next 10-15-20 years that we may move out there. I think that was the thought when we purchased it, but it may be available to do other things. I know it's one-time revenue, it wouldn't be recurring funds, but it may help us to sort of get through this situation we're in. We may be able to provide some funding for some of the infrastructure needs we really have that we really need to address, that we have been putting to the wayside. So something to consider, and I thank Matt for doing the research on it. I know you probably had a lot of it already there, but thank you for bringing it up. So I won't look for a more detailed price event, but I think this is a good number to keep in mind as we move forward."

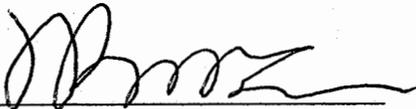
## 21. ADJOURN

There was no further business to come before the Committee, and the meeting was adjourned at approximately 7:45 p.m.

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Carmichael A. Dominguez, Chair

Reviewed by:



Oscar S. Rodriguez, Finance Director  
Department of Finance

*Melessia Helberg*  
**Melessia Helberg, Stenographer**

**SUMMARY OF ACTION  
SPECIAL FINANCE COMMITTEE MEETING  
Tuesday, February 9, 2016**

<u>ITEM</u>	<u>ACTION</u>	<u>PAGE</u>
CALL TO ORDER AND ROLL CALL	Quorum	1
APPROVAL OF AGENDA	Approved	1
<u>CONTINUATION OF BUDGET DISCUSSION</u>		
CONSIDERATION AND APPROVAL OF FRAMEWORK FOR CLOSING THE CITY'S STRUCTURAL OPERATING DEFICIT AND PROVIDING DIRECTION TO STAFF FOR PREPARATION OF FY 2016/17 BUDGET	Approved w/Chair's amendments	2-8
REQUEST FOR APPROVAL OF FY 2016/17 BUDGET DEVELOPMENT CALENDAR	Approved	8-10
REQUEST FOR APPROVAL OF A RESOLUTION PROVIDING GUIDANCE ON THE STRUCTURE OF THE BUDGET OF THE CITY OF SANTA FE AND CERTAIN REPORTING REQUIREMENTS	Approved	10-16
MATTERS FROM THE COMMITTEE	Information/discussion	16
ADJOURN		16

**MINUTES OF THE  
CITY OF SANTA FE  
SPECIAL FINANCE COMMITTEE MEETING  
Tuesday, February 9, 2016**

**1. CALL TO ORDER**

A special meeting of the City of Santa Fe Finance Committee was called to order by Chair Carmichael A. Dominguez, at approximately 3:00 p.m., on Tuesday, February 9, 2016, in the Council Chambers, City Hall, 200 Lincoln Avenue, Santa Fe, New Mexico.

**2. ROLL CALL**

**MEMBERS PRESENT:**

Carmichael A. Dominguez, Chair  
Councilor Signe I. Lindell  
Councilor Joseph M. Maestas  
Councilor Ronald S. Trujillo  
Councilor Christopher M. Rivera

**OTHERS ATTENDING:**

Oscar S. Rodriguez, Director, Finance Department  
Kelley Brennan, City Attorney  
Teresita Garcia, Finance Department  
Yolanda Green, Finance Department  
Melessia Helberg, Stenographer.

There was a quorum of the membership in attendance for the conducting of official business.

**NOTE: All items in the Committee packets for all agenda items are incorporated herewith to these minutes by reference. The original Committee packet is on file in the Finance Department.**

**3. APPROVAL OF AGENDA**

**MOTION:** Councilor Trujillo moved, seconded by Councilor Lindell, to approve the agenda, as presented.

**VOTE:** The motion was approved unanimously on a voice vote.

## CONTINUATION OF BUDGET DISCUSSION

Chair Dominguez thanked everyone for attending this meeting. He said the Finance Committee and members of the Governing Body have spent many hours considering our budget, the challenges we have and the actions that we need to take. He said he hopes everyone has had the opportunity to review the information that has been distributed to the Committee and made available to the public.

Chair Dominguez said at this meeting, at the very least, he would like to get a framework approved and moved forward to the City Council for consideration tomorrow evening. He would like to have at the maximum a total of a one hour debate on the framework and the Resolution on structure. He said the Committee has been provided with all frameworks and policies.

#### **4. CONSIDERATION AND APPROVAL OF FRAMEWORK FOR CLOSING THE CITY'S STRUCTURAL OPERATING DEFICIT AND PROVIDING DIRECTION TO STAFF FOR PREPARATION OF FY 2016/17 BUDGET**

A copy of *Dominguez – Lindell Compromise Framework*, with attachments, including the Dominguez-Lindell Substitute Resolution, is incorporated herewith to these minutes as Exhibit "1."

A copy of *Framework for Closing the Deficit*, is incorporated herewith to these minutes as Exhibit "2."

Chair Dominguez said, "On the table are 5 proposed frameworks and 4 policies. One of the frameworks is the one the Finance Chair proposed about a month ago, maybe more; another is one that Councilor Ives proposed. There is a compromise framework that both Councilor Ives and I worked on. There is a framework that Councilor Maestas has proposed as well. And lastly, a framework that both Councilor Lindell and myself have worked on."

Chair Dominguez continued, "I just want to say that all of these frameworks all have some different aspects to them. I just want to thank the Committee and staff for the work they've done to get us this far. I have to tell you that I do support the Dominguez-Lindell framework [Exhibit "1"] for a number of reasons and I'll get to that in a few minutes."

Chair Dominguez continued, "Before I do that though, I just want to explain to everyone what that framework is. Basically it is \$6.3 million in new revenue, \$3.8 million which is equal to a 1/8¢ gross receipts tax increase and \$2.5 million in collections and fees which is something that's been kind of floated around during the Committee process for a while now. It asks for \$4 million in cuts and \$4.7 million in franchise fees."

Chair Dominguez continued, "And I just want to explain real quickly why I support this framework. Number one, I guess is the GRT increase which is the big elephant in the room. And I must say that, what we must do is we must move ahead to remedy this deficit. That is first and foremost. And yes, tough decisions are always going to have to be made, but the consequences of not doing anything, or delaying this, I think are irresponsible, and quite frankly in my opinion, they are very unacceptable. The other reason I support this is because it frees up 1/4% GRT in the year 18/19, for the Governing Body to either give it back to the public, or to use it in the General Fund as it was originally intended to be in the first place."

Chair Dominguez continued, "There are \$4 million in cuts. I think that is something the public is asking us for, and we need to work hard to make sure we continue to provide efficient government, always work to do things better and so that's part of what that's asking for. And I guess the most important thing is that we will not have to borrow money from the Water Department. That's something the public has absolutely said that they are opposed to. And so that's part of what this framework will accomplish."

Chair Dominguez said, "Before I turn it over to the rest of the Committee, depending on what motion is made, a couple of conditions here that I would like to have verbatim in the record, Ms. Helberg, if we can. *With regard to cuts, I want the minutes to reflect that it means first to try to achieve this number through attrition, then efficiencies, then cuts in service. And second, any new fee or tax revenue that should come from a policy change above the revenue target, should count against the amount in cuts proposed.* In other words, if we come up with a new fee or change current policy in a way that will bring in new revenue, then the \$4 million will be less. And so I would just like whoever makes the motions to consider those things."

Councilor Lindell said, "I would like to thank everyone for the work they've done on these different frameworks, particularly Councilor Dominguez for working with me for a number of hours on this one. When we started working on this and looking at each other and saying we're going to try to close this structural deficit in a year rather than extending it on for more years, it seemed like a radical idea to both of us. But in working at it, and sitting down and looking at it, putting numbers together and going through all of it, it really does seem like the prudent thing to do."

Councilor Lindell continued, "I think in terms of taking monies from the water fund, we did that last year and then we passed a Resolution and said that it was a one time thing and that we weren't going to do that again. So I think it was very very important that we kept to our word with that and that we came up with a framework where we did not take those monies from the water fund again. And I think it was also important that we didn't borrow money from the water fund, even though some of the frameworks had a proposal to borrow where the repayment was with some interest. I think this framework that we have proposed gives everyone an opportunity to participate in this new budget. I think everyone will have an opportunity to come up with efficiencies. Probably, everyone will have an opportunity to give a little something up, that includes all of the public, and I know that we can do this. If we dig in together, we can get this done. It won't be painless, but we have spent ourselves into this \$15 million hole, and we have to get out of it. It is not sustainable to continue the way we have been doing this. It's the City's checkbook and we have to be responsible with it."

**MOTION:** Councilor Lindell moved, seconded by Councilor Rivera for purposes of discussion, to approve the proposed framework called *The Dominguez-Lindell Compromise Framework*, for closing the City's Structural Operating Deficit, with the Chair's proposed language."

**CLARIFICATION OF THE MOTION/FRIENDLY AMENDMENT:** Chair Dominguez asked if that includes 17 and 18 in the framework. Councilor Lindell said, "No. 17 and 18 are eliminated as well as asking for the, what you read into the record was for the Resolution." Chair Dominguez said, "No. It will be for the framework." Councilor Lindell said, "Ms. Helberg, also in that motion the two items the Chair suggested are to be included. Is that acceptable to you Councilor Rivera." Councilor Rivera said, "Yes." **THE AMENDMENT WAS FRIENDLY TO THE SECOND AND THERE WERE NO OBJECTIONS BY THE OTHER MEMBERS OF THE GOVERNING BODY.**

**DISCUSSION ON THE MOTION AS AMENDED:** Councilor Maestas said, "I want to commend you guys for coming up with a framework. And it incorporates I think some of the framework that I had proposed, the additional collections and fees, not borrowing from the Water Fund was also part of my framework. The only element of this framework I can't support is a tax increase. I think my framework had.... when we have looked at the status of utilities, we all understand that when a utility is publicly owned, it still, I think, realizes the same benefits as if it was private – occupying our right-of-way, access to equipment to make repairs and pavement cuts. But there's also, I think, utility services that are being provided, that aren't being paid for by certain aspects of general government. And I know in Solid Waste, and I believe Wastewater alone there was \$1.2 million in free services provided to the general government. And the Franchise Fee, I think, I had included Solid Waste and Wastewater in addition to Water Franchise Fees. And I know we haven't developed that policy yet, and I hope we do before we get to budget hearings, but I believe my framework called for \$5.9 in Franchise Fees and I know this only has \$4.7 million."

Councilor Maestas continued, "The only other issue that I have, is that I think there's a lot that needs to be done to look at cost reductions through efficiencies. I think that target \$4 million is a lot, and it is a really good target, but I think there is more than \$4 million that we can find in cuts, but I wouldn't advocate doing that in the first year. And then I think the ability to increase collections in fees can be higher. I believe my framework was higher than \$2.5 million. I think we just need to work a little harder at solving this situation without raising taxes."

Councilor Maestas continued, "And another issue I have is that we are dealing with a deficit that goes back until 2008. And in all the information we have, we haven't raised taxes since 2006, that was 10 years ago. And so raising taxes to address what I call a legacy deficit, we're going to be in the same position that we were only that we will have addressed a legacy deficit. We won't have any opportunities to fund other needs that we know we have. We haven't quite quantified them and I asked for amendments in the resolution that was being circulated. I am losing track of all the documents that we're considering. But if we're going to raise taxes I think we not only need to look back and address this deficit, but look forward. We were engaged in a discussion over basic equipment for snow and ice control. And we have a fleet of 10, we only can afford 4 new trucks. The remaining 6 are 20-25 years old. They are unreliable. That's just a symptom I think of some of the needs we have today in going forward."

Councilor Maestas continued, "And if it's going to take us another 10 years to raise taxes, we're facing another 10 years of stagnation. I think if we're going to go there through the budget process, we ought to identify additional critical needs associated with Public Safety, Annexation and a lot of the commitments the City has but is unable to meet. So only under those circumstances would I be willing to consider any kinds of tax increases in looking at our current needs going forward. Because again, I don't think the City or our community can wait another 10 years and watch a stagnating government kind of hobble along. So I think it would be best for us to look at cuts first and balance this budget in the interim, and through the course of the next year, we can identify other, more comprehensive ways to right-size our government and enjoy a greater savings, so I can't support the taxes."

Councilor Maestas continued, "And then I guess I would yield the floor for now Mr. Chairman, by just talking a little bit about defining the problem. I think right now, Oscar, what's our projected end of year revenues in the General Fund."

Mr. Rodriguez asked, "End of the year ending balance."

Councilor Maestas said, "Yes, the project balance relative to the budget. I know we're running about \$2.5 million...."

Mr. Rodriguez said, "Yes. We were saying about \$3 million more than what was budgeted because of higher GRT and lower expenditures at this stage, by the end of the year."

Councilor Maestas asked, "Okay now tell me where we're running in terms of expenditures relative to budget."

Mr. Rodriguez said, "We're running about 3% below."

Councilor Maestas asked how much that is in dollars.

Mr. Rodriguez said, "Almost \$3 million."

Councilor Maestas, "So, we're over in revenues \$3 million and we're under expenditures by \$3 million."

Mr. Rodriguez said that is correct.

Councilor Maestas said, "This is a \$6 million swing there. Let me finish. All I know about is the additional Hold Harmless of \$660,000, but that's \$2.4 million, let's just say take off the \$660,000. So what I'm saying Mr. Chair, is our picture is getting brighter. And if we can hold our budget to actual levels and realize that savings, and revise our projections to reflect actual this year, you're looking at a difference of about \$4 million and that will cover the \$3.8 million in tax increases. So what I'm saying is, if we forego the tax increases, freeze the budget at the actual levels that we are projected to have and amend our revenue projections, assuming that it continues. Well look. If expenditures were projected to be at budget, if revenues were expected to be at budget, then I would say, wow. We're not getting any help in terms of actual revenues, and actual reductions in expenditures."

Councilor Maestas continued, "But we have a \$4-5 million swing here in a surplus of revenues and cost reductions and expenditures, and I don't think we ought to brush that aside, I think that should be considered. I think we should be conservative, but this could at least help us defer any tax increase until we can conduct some real well thought-out, right-sizing, look at all of our fee structures, the enforcement behind the fees, look at right-sizing the organizational structure in the City. There's so much we can do, but we can't do all that between now and July 1. So I can't support the tax increases, but I really think we ought to consider this huge net difference between projected reduction in expenditures and projected revenues above budget."

Councilor Maestas continued, "And that could save our bacon in terms of down the line avoiding a tax increase. And then, through the budget hearings as well, we can hear from staff what we need to cover public safety for annexation. What do we need for all of these other critical needs. We have needs in facilities we have a quarter of a million dollar backlog in street improvements. We don't have adequate equipment for basic snow and ice control. So that would be my recommendations to the Committee at this point, but I support the rest of the framework, Mr. Chairman."

Chair Dominguez thanked Councilor Maestas "for your thoughtful comments."

Councilor Rivera said, "The first question I had was in regard to this document that I believe you put out.. I don't know Brian, do you want to answer this... but when we're talking about cuts is that specifically personnel cuts, or what is included in cuts."

Mr. Snyder said, "Yes, it would a number of... anything would be in cuts. It would be just a reduction in expenditures. So it could be cuts. It could be cuts in personnel, cuts in services. Anything to reduce our expenditure line item."

Councilor Rivera said, "So it's not formally and completely cuts in personnel. That's not what we're talking about here. Is that correct."

Mr. Snyder said that is correct.

Councilor Rivera said, "So, when you're looking for \$4 million in 2016, to \$5.3 million, it's not an additional \$5.3, it's...."

Chair Dominguez said, "For clarification, Councilor Rivera, those two columns are eliminated from the motion."

Councilor Rivera said, "All right. The 17 and 18."

Chair Dominguez said yes.

Councilor Rivera said, "So that takes that out of it. The next question is on page.... and by the way, I think this is a great compromise that you are asking. I support it. Obviously on page 5, Item F, I still have issue with taking two specific departments like the Fire Department and the Transit Department and looking at them specifically, and getting to the point where we're kind of micromanaging them to look at cuts. I feel if there were specific savings that could be made, that those departments could come up with those savings on their own, if that's what they were looking for. But again, I think it's a good enough document that it's not worth that much argument. I just wanted to put my comment out there."

Chair Dominguez said, "Councilor Rivera, just real quick, we'll get to the Resolution after we take care of the motion on the framework. That is actually going to be Item #6, the specifics. But I agree with you."

Councilor Rivera asked if the Chair would like for him to wait to discuss this when we discuss the Resolution on this, and the Chair said yes.

Councilor Rivera said, "With that, I will say that I agree with Councilor Maestas, with increasing GRT and decreasing expenditures, that it looks like we're going to be in a good position. But I believe the framework is strong enough that it least gets us going. And if we realize those savings that Councilor Maestas is talking about, that we can address them throughout the budget process as we go. So, overall, I support the framework."

Councilor Trujillo said, "Being that I got this yesterday, I was able to review it last night. Thank you and Councilor Lindell for the work you did, because it is good work and starts the process. I am very intrigued as to what Councilor Maestas just mentioned, and I would like to understand it. Difficult decisions have to be made though, and unfortunately one of the frameworks here is an increase of the GRTs. I don't think it's something anybody really wants to do, but it is something that has to be put on the table. We were very fortunate over the years not to have all these tax increases. I think past Governing Bodies haven't been able to do that, but as Councilor Dominguez always says, we are kicking the can down the street, and that needs to stop. I do support the framework, but as Councilor Rivera said to you, I think we can incorporate some of the things Councilor Maestas said during the budget process, and maybe we won't have to do the tax increase. That's all I have to say Mr. Chair. Thank you."

Chair Dominguez said, "A couple of final comments. This framework is intended to be just that, a framework. It doesn't mean that it is not flexible, or it can't change, or if something else comes up and there's another solution to resolve some of these problems that we can't incorporate them into that, but it is a framework. It is a roadmap, if you will, that gets us down the road. And I must say, I just have to say this publicly, and for the record. This community has made lots of sacrifices in the past. Over the course of how many years, we've made plenty of sacrifices. City employees also have made many of those sacrifices. To think that we have not done our due diligence in the past to make cuts is not fair, because there have been sacrifices that have been made."

Chair Dominguez continued, "Past governing bodies have contemplated raising taxes in the past, and we haven't done it, because we didn't have the political will, or because a particular Councilor was able to give a great speech and convince everyone not to do that. But at some point, we have to recognize the fact, if we want to provide the high level of services that this community deserves and wants, that means we have to have some cash to make that happen."

Chair Dominguez continued, "I hear what you are saying Councilor Maestas in terms of the long term, and I'm not sure if you're suggesting that we raise taxes even more at this juncture, but that's kind of what I hear, because that's kind of what it's going to take. We can only trim government so much before it starts to impact the taxpayers and the services they expect, demand and want, and that they pay for quite frankly. So I think the framework is, really in many ways in some instances, has been due a long time. And that is in the form of that new revenue."

Chair Dominguez continued, "I've been on the Governing Body now for 10 years, and every budget cycle, every time we go into the budget, there's always this demand to cut, and we need to cut and we need to continue to cut. And when someone says, well let's raise some revenue, that all of a sudden is taken off the table. And it's not fair to the employees. And it's not fair to the public, because at some point sacrifices need to be made and not just by employees and the public, but by this Governing Body as well. And that's one of the tough decisions that I think hasn't been made in the past. We've made tough decisions to cut in the past, but what we haven't done is we haven't made the tough decision to raise new revenue. And with that, let's go ahead and have a roll call vote, Ms. Helberg."

**VOTE:** The motion was approved on the following Roll Call vote:

**For:** Councilor Lindell, Councilor Rivera and Councilor Trujillo.

**Against:** Councilor Maestas.

**5. REQUEST FOR APPROVAL OF FY 2016/17 BUDGET DEVELOPMENT CALENDAR. (ANDY HOPKINS)**

A copy of the *FY 2016/17 Budget Calendar* is incorporated herewith to these minutes as Exhibit "3."

Chair Dominguez said, "That's going to be good for staff, because now they have something to work on, but the next thing is the Calendar. And I want to apologize to staff because you are two weeks late in working on the budget because this Governing Body or this Committee hasn't been able to get past this point. And so with the motion we just made and with the approval of this Calendar we can take off and get things done."

Andy Hopkins, Budget Analyst, presented information regarding this matter, saying it was an oversight, and they meant to put it on the last Agenda for approval, noting at this point the approval is a formality, because they already have training scheduled for tomorrow and Friday.

Chair Dominguez asked the reason approval is requested on the Budget Calendar itself.

Mr. Rodriguez said it so the public knows the schedule as well, noting a lot of the dates also are invitations to the public to review the calendar. He said, "I think it's a very basic step in transparency here, so everybody knows when things are going to happen."

Councilor Maestas asked, "The \$15 million deficit, that number doesn't include any additional funds for staff to consider or for you to consider in the budget. So what was the reason for the delay. I guess to make cuts, if we didn't identify additional revenue sources."

Mr. Rodriguez said, "Yes sir. I think the Chair would agree, unless I heard differently, this was going to be very different in the budget. Now I think we're all on the same page, and we're going to try and produce a budget that meets this framework."

Councilor Maestas said, "But we're still looking at, essentially, flat budgets and there's not going to be any real increase."

Mr. Rodriguez said as explained in the past, there is nothing that is a flat budget. There is inflation, so even if it's the same money, it actually costs something. He said, "And one thing is going to be very different, and I'll just follow up to your observation earlier about higher than budgeted ending balance. I have been communicating that to you for some time, and I recommended that we use that to put into the Capital Improvement Program. So it's those resources that you've plowed into capital improvements that eventually will be used to make improvements." He gave the example of the funds for the new accounting and Land Use Software that will be funded from the cash that seems to be building up in the ending balance right now.

**MOTION:** Councilor Lindell moved, seconded by Councilor Trujillo, to approve the proposed FY 2016/17 Budget Calendar, as presented.

**DISCUSSION:** Councilor Rivera asked, since we're looking to do quite a bit with this budget, there is only a 4-5 day period before Council to review it all, make changes during that week, decide what we're going to do, and then it goes to Council for the first reading. He said, "There's nothing in between there to address any changes, or address any issues that may come up. I don't know if Andy or Oscar want to address this, but from March 2<sup>nd</sup> to the 25<sup>th</sup>, there's 23 days. And is that all that is needed for Finance Department review."

Mr. Rodriguez said, "Yes sir. Normally, we have a little more time and I cut a week of that off, and that's because, well, there are a lot of moving parts that have to be put together. One of the things we plan to put together are recommendations for major policy changes we have to bring to you so we can achieve these things."

Councilor Rivera said, "And then there's another 18 days in preparation of presentation material for the Finance Committee. Are all those days needed as well."

Mr. Rodriguez said, "Again, this is two weeks less than what we normally use. Having done this one time before, I can tell you each of those days are very very busy, just focusing on the budget."

Councilor Rivera said, "I am concerned that really this leaves little room for the Finance Committee to review everything that is presented, make any changes we may have staff come back to us with, potentially, additional changes or additional information before it actually makes it to Council. So, I'll just leave that for the record."

Chair Dominguez said, "That's a fair observation. I think that certainly we will be flexible as we get closer to the end of April through May, or through the end of May, to make sure we have enough discussion."

Mr. Hopkins said, "These are only sessions for the Finance Committee review that are currently scheduled. There is, of course, room to schedule additional meetings as time permits for all the Councilors' schedules on the Finance Committee. But, as of now, this is kind of a general framework. Of course it's expected that, as we go along, there may be some changes in the schedule, including additional meetings of the Finance Committee to consider. So this is just a preliminary schedule in that respect. There is nothing saying that we can't expand the time that Finance has to review it before it goes to Council, or anything like that. This is your preliminary timeframe."

Mr. Rodriguez said, "Actually addressing Councilor Rivera's observation, I want to clarify, and I apologize if it's not clear enough. The intention was a week after April 4<sup>th</sup>, after the City Manager has corrected our budget. That's when we begin to print to you guys information that starts to get to you at that point. And so, obviously, we can schedule some other times there, but we were thinking that's when we start getting the hard copies, or at least the 20 copies of the draft."

Councilor Rivera said, "So starting April 4<sup>th</sup> [*inaudible because two people talking at the same time*]."

**VOTE:** The motion, as amended, was approved unanimously on a voice vote.

**6. REQUEST FOR APPROVAL OF A RESOLUTION PROVIDING GUIDANCE ON THE STRUCTURE OF THE BUDGET OF THE CITY OF SANTA FE AND CERTAIN REPORTING REQUIREMENTS. (COUNCILOR IVES). (OSCAR RODRIGUEZ) Committee Review: Public Works Committee (no recommendation) 01/25/16; Finance Committee (no action taken) 02/01/16; and City Council (scheduled) 02/10/16. Fiscal Impact – No.**

A copy of a Legislative Summary for the Resolution on Budget Guidance, with the attached Substitute Resolution, FIR, and Original Resolution, is incorporated herewith to these minutes as Exhibit "4."

A copy of Resolution No. 2015-110, sponsored by Councilor Joseph M. Maestas, adopted by the Governing Body on December 9, 2015, is incorporated herewith to these minutes as Exhibit "5."

Chair Dominguez said, "This is intended to be the legislation that gives direction to management in how it is supposed to address both revenue and cuts, generally speaking. There's 3 versions out there. There is one that both Councilor Ives and myself worked on, which I believe he has endorsed the one that Councilor Lindell and I have kind of narrowed it down to [Exhibit "1"]. And then Councilor Maestas has his piece of legislation on the table as well. Some of the stuff that Councilor Maestas has asked for are in the one that Councilor Lindell and I have worked on. I'm not quite sure how the Committee wants to go through these. For all intents and purposes, the legislation does reflect the framework that was approved, but there are opportunities for us to have some debate, and maybe to change some of the language and citations in the legislation if we want to do that."

Councilor Rivera, referring to page 5 of the Resolution, beginning on line 5, said, "So, again, not to belabor the point too much, but where we're singling out two departments to really look at. And I know it's calling for an evaluation and report, but we could do this with every department. Just eliminating it, or stopping where it talks about '*...take home vehicle policies and practices*, and leaving it there would be good. But I think it's a good enough Resolution that I'm not going to harp on it too much."

Councilor Rivera continued, "Also on page 5, Item (c). When you guys were discussing this, the 1-2 mils for the property taxes, was there any discussion of what the property tax is. Was there any going to specific departments like those mentioned on the front to provide basic services, or is it just a general 1-2 mils."

Chair Dominguez said, "I think it was just intended Councilor, to have it in there, generally speaking, to have the flexibility we need to apply it however we need to apply or want to apply it at some point."

Councilor Rivera said, "So, I'll just say this for the record is that I would support it, 1 to 2 mils, more specifically again because it's going to be something that will be affecting everybody. If it went to really those basic services which are provided to everybody which are identified on page 4. Number 6 talked about Public Safety, Public Utilities, Public Infrastructure specifically those as we move on in discussion, we can have those a little bit further."

Councilor Rivera continued, "The last thing I had a question on and want to talk about, was on page 6, Item 10 [line 13] where it says, '*Explore, in partnership with appropriate public and private entities; the feasibility of privatizing or regionalizing services....*' I think, if I'm not mistaken, and I don't know if there's anybody from the City Attorney's Office here, or maybe Brian might know – is there language in the individual collective bargaining agreements that address privatizing of services."

Mr. Snyder said, "I can't speak to each of the contracts individually. I know from sitting on the management team with AFSCME, there may be some language in their contract. I'll see if I can get more specifics and get it to you."

Councilor Rivera said, "I don't want to have staff to waste a lot of time in exploring or looking at privatization if it's really not allowed within the collective bargaining framework, or in the contracts themselves. So if we can just look at that before we have staff take a look at any of those. And with that, Mr. Chair, that's all I have. I had no real recommendations for changes. I made my comments about my concern about that, but I really think overall, it's a good Resolution and I appreciate the effort put into it."

Chair Dominguez said, "I'm going to try to track some of these potential changes to maybe put some language in there that might work for everyone as we go through, so I'll do that."

Councilor Maestas said, "I'm a little confused. We were working with one Resolution which was Councilor Ives' Resolution, and there was another Substitute Resolution where he had signed on as a sponsor. And last week we were given instructions to provide comments by 4:00 p.m. on Friday, which is what I did. And I spent a lot of time on that. And now we're moving to yet a third Substitute Resolution which is not even on the caption for today's meeting. So what are we working from. Are we working on Ives' Resolution still."

Chair Dominguez said, "As I mentioned before, all pieces of legislation are on the table for consideration. So you can advocate for yours, and you can even make a motion to get yours approved, and if there is a second, then we move in that direction. Or I guess we try to work together to blend it all in. As I mentioned before, some of the stuff Councilor Lindell worked on, incorporates some of your language in there, but obviously not all of it. So fatal."

Councilor Maestas asked, "Can we act on this, because..."

Chair Dominguez said, "I asked staff about that last week, and I was assured that we could."

Councilor Maestas said, "I think Substitute Resolution #3, still has gross receipts taxes and property taxes in there, which my changes did not have that. Also, my comments on Resolution #2, which was Ives-Dominguez, asked that the Resolution we passed as a Governing Body back in December, Resolution 2015-110, asking for efficiencies comprehensive across the board, and we don't have any results from that. And I think that's another reason why I'm taking this position, because this was still, I think early enough, prior to the policy process to yield some results and give us some ideas of where we can realize some efficiencies. So yes, I'm just trying to get my bearings straight here. So everything is still alive, #1, #2 and #3. Is that correct. I mean, Ives-Dominguez is #1. My comments on Ives-Dominguez I guess is #2, and then the Lindell-Dominguez is #3."

Chair Dominguez asked if he is looking at the spreadsheet.

Councilor Maestas said, "Yes. Thank God, somebody at least did a comparison of all pieces of legislation."

Chair Dominguez said, "You're welcome. And it's only because I couldn't understand how to continue, so I went through the exercise myself to do that, with Jesse's help."

Councilor Maestas said, "That's all I had Mr. Chair. I mean, I can't support it. I mean it's consistent with the framework and I can't support that framework as it is. Because on page 5, #8, #8(a) and #8(c) call for an increase in gross receipts, an increase in property taxes. And I would have been happy to provide comments on this, even track changes, but there was just no time. I thought I abided by the direction of you to submit comments."

Chair Dominguez said, "And I just want to thank the Committee for doing that. This isn't an easy process and there's always going to be, as we even saw today, last minute changes and tweaking of language and all sorts of things. And so, in many ways.."

Ms. Helberg asked for clarification from which Resolution Councilor Rivera was quoting.

Councilor Rivera said, "It was the Dominguez-Lindell Resolution."

Chair Dominguez said that was part of the Dominguez-Lindell Framework.

Councilor Trujillo said, "I guess the one by you and Councilor Lindell is the one that is on the table, because it's what we're having the discussion about. I would consider that the one between you and Councilor Ives would be dead, as well as the one by Councilor Ives as well. Because, as you told me just now, you said Councilor Ives supports your bill. Right. I just want to get clarification. Are the two dead. The only ones I see right now that are technically alive are the one that you and Councilor Lindell had, and Councilor Maestas' right now. Those are the two I think we should be discussing and scrap the other 3, because it is confusing."

Chair Dominguez said, "So the only reason they're still on the table Councilor Trujillo, is because there has been no motion to either approve or reject any of those pieces. So they're still alive until the is some action taken on either one."

Councilor Trujillo said, I just see right now is that the discussion has been centered on yours and Councilor Maestas'.

**MOTION:** Councilor Trujillo moved, seconded by Councilor Lindell, to kill the original Resolution proposed by Councilor Ives and the Ives-Dominguez Substitute Resolution.

**VOTE:** The motion was approved unanimously on a voice vote.

Chair Dominguez said, "Now on the table, are still the Maestas Substitute and the Dominguez Substitute."

Chair Dominguez said, "I want to go back to what Councilor Rivera was talking about in terms of the Fire Department and the Vehicle Take Home Policy or policies. Can you tell me what page that's on, Councilor Rivera. It's Item F on page 5, starting on line 4. One of the things we can do is put in there, as an example, looking at the creation of a City-wide motor pool, so on and so forth. I think the bottom line is that staff is going to be required to look at things across the board, and it's not going to be limited to those

that are explicit in this document. That's really going to be the bottom line, but if we want to give them more direction and be a little bit more clear about looking broadly across the table, and not just at these items, we can do that."

Councilor Rivera said, "The Vehicle Policy should be across the entire City, not specific to two departments I would think. So, I would think if they would identify potential ways to save money through these, if they would then present that through the process, but I'm not sure it should really be us pushing in a specific direction. But again, I think we need to move forward, and I think this is a good enough document, that I'm okay leaving it in and we just move forward. I think we're okay. I think it is important that we move forward, and I'll ask appropriate questions when the time comes."

**MOTION:** Councilor Lindell moved, seconded by Councilor Trujillo, to approve the Substitute Resolution introduced by Councilor Dominguez and Councilor Lindell, providing guidance on the structure of the budget of the City of Santa Fe and certain reporting requirements.

**DISCUSSION:** Councilor Maestas said, "Just one comment. I think maybe if we can ask staff to do what was done two years ago. And they gave us a kind of supplemental list of their needs. It wasn't incorporated into the budget. And they obviously have to be critical needs. And I know we have critical needs. And I want us, if we're going to go there and raise taxes, we ought to look at everything and not just this 10 year or 8 year legacy deficit. I think it's our job to address the current needs as well, and this framework doesn't do that. And if we're going to go there and raise taxes, I strongly, strongly recommend that we assess the current needs as well, in addition to addressing this deficit."

Councilor Maestas continued, "And I think if we can do that in the course of at least the budget, I think the community might think differently about your decision to raise taxes, and I think it's going to be substantial. Because again, as I pointed out earlier, this is not an easy decision, but I don't think we're addressing everything we need to right now. And it's not going to be easy to come back next year when we find out what these future needs are to raise taxes again. It's just not realistic, and I think it would be wise for us to do that. And I know Oscar you have concerns about taking your eye off the deficit and looking at current needs, but I think we need to consider everything."

Chair Dominguez asked if we have the list from last year. He said, "The Councilor is right. We can raise taxes even more if you like Councilor Maestas, to really get to all of those critical needs that the entire City has, because that's the magnitude of the dilemma that we're faced with. We are not going to reach all the needs the City has that have been articulated in the past by eliminating those needs through cuts, I guess. If you want, do we still have that list from last year?"

Mr. Rodriguez said, "Yes sir, we do, but we have been trying to change our budgeting process completely, what's proposed, and then we have two budget processes – the Capital Budget and the Operating Budget. And our call to the departments are give us your needs there, and so we will consider all of the critical needs there, and that's the plan that comes forward to you, as opposed to give us a list that's on the site. I think that would be, at least from my standpoint, that would be a very hard benefit to communicate to the departments. Cut, but give me this list on the site."

Chair Dominguez asked Councilor Maestas if he wants that same list.

Councilor Maestas said, "I see nothing about all the needs they are deferring. It is not inconsistent with them submitting a budget that meets this framework."

Chair Dominguez asked, "So, we have our capital budget. Right. And some of the critical needs that are in there from last year, a lot of them were capital. But there are also some operational budget critical needs. And some of those critical needs may be, staff is going to come back and say, well I really need 5 more positions for whatever function it is they're working on. I'm just trying to get some clarification on what you mean by critical needs and what you want from staff."

Councilor Maestas said, "Well two years ago, I remember I added up all the requests that weren't in the budget by each department, and I thought it was, Brian, wasn't it like \$8-10 million. It probably was a lot more than that. And you know, we weren't in a position to really evaluate the needs since we didn't have the budget to address them. But, if we're going to go and raise taxes.... what I'm saying Mr. Chairman is, I'm not afraid to make these decisions, but in my opinion, we need context, and we don't have context. The only context we have right now is the deficit. We don't have context in term of what the current needs are. We don't have context from Resolution 2015-110, that directed the City Manager to identify efficiencies and cost reductions. You know, it's not about making the tough decisions, it's about having the proper context. I know we're not going to have all the information, but all we have is the context of the deficit. And I'm saying if you're going to take this big step, I think we need to look at current needs. That's all I wanted to say."

Chair Dominguez said, "Well thank you. Let's see if we can't get the list we provided last time, and maybe that will help. I think, in terms of context, Councilor Maestas, I hear you, I understand what you're saying. But I feel like I have been debating or considering the context for 10 years now. There's a lot to it and we can continue to ask questions.... there's just a lot to it. We'll go ahead and get that list from the last time around. If we can just make sure the Committee gets before we even get to budget hearings. And if there's more that we need to expand on, we can go that route."

Councilor Maestas said, "Mr. Chair, look, I just want to, just for the record, state that even though maybe it's obvious to many people that we can't make up this deficit with cuts.... But going through the proper sequence of thoroughly identifying all the cuts and putting a number on that, and then collectively coming to the conclusion that we can't balance the budget with cuts. I think that still goes a long ways, I think, in the eyes of our community. And we didn't do that, and we had that opportunity to do that."

Councilor Maestas continued, "And then the other thing, Mr. Chair, is I want my comments in the record on the Ives-Dominguez bill that we killed. I at least want those to be in there, because I think there is some other cost reduction proposals in there that didn't make it into the Dominguez-Lindell Resolution."

Chair Dominguez said, "I think we'll still be able to get some of that done during the actual budget process. We can go down the road on some of those items at that time. So we can do that. But in terms of wordsmithing the piece of legislation.... we have a motion on the table right now. Okay."

**VOTE:** The motion was approved on a voice vote, with Councilor Lindell, Councilor Rivera and Councilor Trujillo voting in favor of the motion and Councilor Maestas voting against.

**7. MATTERS FROM THE COMMITTEE**

Chair Dominguez thanked everyone for being here this afternoon and for the work they've done thus far, although there is still a lot more to do. He thanked staff for their work in getting us here, saying, "Thank you Yolanda. Anybody else from the Committee want to make comments. No. Okay we will move to adjournment."

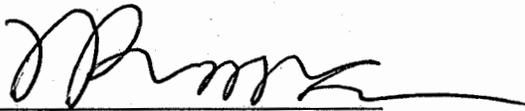
**8. ADJOURN**

There was no further business to come before the Committee, and the meeting was adjourned at approximately 4:00 p.m.

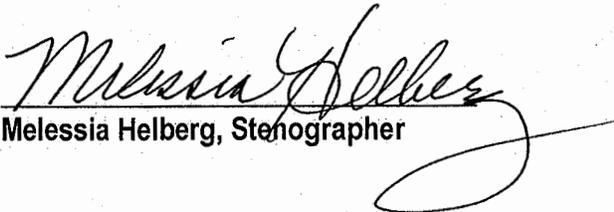
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Carmichael A. Dominguez, Chair

Reviewed by:



Oscar S. Rodriguez, Finance Director  
Department of Finance



Melessia Helberg, Stenographer

**SUMMARY OF ACTION  
FINANCE COMMITTEE MEETING  
February 15, 2016**

<u>ITEM</u>	<u>ACTION</u>	<u>PAGE</u>
CALL TO ORDER AND ROLL CALL	Quorum	1
APPROVAL OF AGENDA	Approved	2
APPROVAL OF CONSENT AGENDA	Approved [amended]	2
CONSENT AGENDA LISTING		2-3
<u>CONTINUATION OF BUDGET DISCUSSION</u>		
UPDATE ON BUDGET DEVELOPMENT PROCESs	Information/discussion	3-10
<u>CONSENT CALENDAR DISCUSSION</u>		
REQUEST FOR APPROVAL OF BID NO. 16/23/B – LED COUNTDOWN PEDESTRIAN HEAD INSTALLATION AT VARIOUS INTERSECTIONS AND AGREEMENT BETWEEN OWNER AND CONTRACTOR; M.W.I., INC.	Approved	10-12
REQUEST FOR APPROVAL OF A BUDGET INCREASE FROM CASH BALANCE FOR ADDITIONAL PREVENTATIVE MAINTENANCE AND REPAIR OF RESIDENTIAL AND COMMERCIAL COLLECTION UNITS FOR THE ENVIRONMENTAL SERVICES DIVISION IN THE AMOUNT OF \$242,802	Approved	12-13
REQUEST FOR APPROVAL OF PROFESSIONAL SERVICES AGREEMENT – COLLABORATIVE ARTS MARKETING PROGRAM FOR ARTS COMMISSION; MUSEUM OF NEW MEXICO FOUNDATION	Approved	13-115
REQUEST FOR APPROVAL OF A RESOLUTION REQUESTING STAFF TO DEVELOP A LAND USE FACILITATION PROGRAM BASED ON THE HIGHLY SUCCESSFUL ALBUQUERQUE MODEL	Postponed for 6 months [amended]	15-20

<u>ITEM</u>	<u>ACTION</u>	<u>PAGE</u>
REQUEST FOR APPROVAL OF A RESOLUTION AMENDING RESOLUTION 2014-96 TO DIRECT STAFF TO COORDINATE FREE TRANSPORTATION AND PARKING OPTIONS FOR PATIENTS AND VOLUNTEERS BY THE MISSION OF MERCY PROGRAM SPONSORED BY THE NEW MEXICO DENTAL FOUNDATION	Approved	20-22
*****		
END OF CONSENT CALENDAR DISCUSSION		
*****		
MATTERS FROM THE COMMITTEE	Information/discussion	22-25
ADJOURN		25

**MINUTES OF THE  
CITY OF SANTA FE  
FINANCE COMMITTEE**  
Monday, February 15, 2016

**1. CALL TO ORDER**

A meeting of the City of Santa Fe Finance Committee was called to order by Chair Carmichael A. Dominguez, at approximately 5:00 p.m., on Monday, February 15, 2016, in the Council Chambers, City Hall, 200 Lincoln Avenue, Santa Fe, New Mexico.

**2. ROLL CALL**

**MEMBERS PRESENT:**

Carmichael A. Dominguez, Chair  
Councilor Signe I. Lindell  
Councilor Joseph M. Maestas  
Councilor Christopher M. Rivera

**MEMBERS EXCUSED:**

Councilor Ronald S. Trujillo

**OTHERS ATTENDING:**

Oscar S. Rodriguez, Director, Finance Department  
Kelley Brennan, City Attorney  
Teresita Garcia, Finance Department  
Yolanda Green, Finance Department  
Melessia Helberg, Stenographer.

There was a quorum of the membership in attendance for the conducting of official business.

**NOTE: All items in the Committee packets for all agenda items are incorporated herewith to these minutes by reference. The original Committee packet is on file in the Finance Department.**

**3. APPROVAL OF AGENDA**

**MOTION:** Councilor Rivera moved, seconded by Councilor Maestas, to approve the agenda, as presented.

**VOTE:** The motion was approved unanimously on a voice vote.

**4. APPROVAL OF CONSENT AGENDA**

Chair Dominguez noted corrections in captions as follows: Item #10 under Fiscal Impact, it should be "farebox" not "firebox," and on Item #12 under Fiscal Impact it should be "decrease" instead of "defease."

**MOTION:** Councilor Rivera moved, seconded by Councilor Maestas, to approve the following Consent Agenda, as amended.

**VOTE:** The motion was approved unanimously on a voice vote.

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**CONSENT AGENDA**  
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6. *[Removed for discussion by Councilor Maestas]*

7. *[Removed for discussion by Councilor Lindell]*

8. *[Removed for discussion by Councilor Lindell]*

9. *[Removed by Councilor Rivera]*

10. *[Removed for discussion by Councilor Rivera]*

11. **REQUEST FOR APPROVAL OF A RESOLUTION DIRECTING STAFF TO DEVELOP A PLAN TO SPONSOR AND IMPLEMENT A "PERFORMANCE ENCORE," IN OCTOBER 2017 (MAYOR GONZALES AND COUNCILOR IVES). (RANDY RANDALL). Committee Review: Public Works Committee (approved) 01/25/16; Occupational Tax Advisory Board (approved w/amendment) 01/26/16; Arts Commission (scheduled) 02/08/16; City Business Quality of Life Committee (no quorum) 02/10/16; City Business Quality of Life Committee (scheduled) 02/17/16; and City Council (scheduled) 02/24/16. Fiscal Impact – No.**

12. **REQUEST FOR APPROVAL OF A RESOLUTION DIRECTING STAFF TO USE THE WATER ENTERPRISE FUND TO REPAY IN FULL THE BALANCE OF THE 2006 WATER CAPITAL OUTLAY BOND IN THE AMOUNT OF THIRTY-THREE MILLION SIX HUNDRED THOUSAND DOLLARS (COUNCILOR MAESTAS). (OSCAR RODRIGUEZ). Committee Review: Public Utilities Committee (approved w/amendment) 02/03/16; and City Council (scheduled) 02/24/16. Fiscal Impact – No. Resolution directs that staff take all necessary actions to ~~defease~~ decrease the remaining debt the City issued in 2006, help acquire the water company and make other capital investments. It further directs that the City use water enterprise fund reserves to pay of the remaining balance. Ample reserves are available for this and there would be no impact to utility’s operations or capital program.**

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**END OF CONSENT AGENDA**

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**CONTINUATION OF BUDGET DISCUSSION**

5. **UPDATE ON BUDGET DEVELOPMENT PROCESS. (OSCAR RODRIGUEZ)**

A copy of *Projected Budget Balance after applying FRAMEWORK (using Nov. 30 data)*, is incorporated herewith to these minutes as Exhibit “1.”

Mr. Rodriguez reviewed the information in Exhibit “1.” Please see Item #1 for specifics of this presentation. Mr. Rodriguez noted projections are based on November 2013 data, and it will be a moving target to the budget with periodic updates to the data.

*The Committee commented and asked questions as follows:*

- ▶ Chair Dominguez said he wants to clarify the Hold Harmless issue for the public. He said essentially, the State took revenue away from the City, gave us a model for which we could have collected that revenue, and then took the revenue away from us again via the approval at the Legislature two years ago. The Legislature now is trying to limit our authority on the GRTs with some of the recent legislation.

Mr. Rodriguez said the Legislature’s view is if the City adopts the tax, then the City doesn’t need that revenue and it stays with the State. If we raise the GRT on the non-Hold Harmless increment, then the City can use it to make up for the loss of the \$11 million we will lose eventually over the next 15 years. He said the State allows for a referendum to “call back the tax increase on the other one.” He said 1/3 of the citizens can present a petition for referendum calling for a vote on the GRT, commenting this is always the case in Santa Fe. He said, “There is no possibility for a referendum on the Hold Harmless GRT if enacted.

- ▶ Chair Dominguez asked Councilor Maestas the position of the Municipal League on HB 233.

- ▶ Councilor Maestas said the League is well aware of HB 233, which is a full-blown tax reform bill, but it's packed with too many changes. He said the last time we they were briefed by the League, it probably wasn't going anywhere,
- ▶ Chair Dominguez asked if the League has taken a position on that bill.
- ▶ Councilor Maestas said the counties that enacted the Hold Harmless GRT are making a windfall that far exceeds what the counties lost. He said this bill would limit that revenue and equalize the gain in relation to the lost. He said this wasn't in the original bills, but that is one of the main equity portions of HB-233. He said many of the Counties have moved quickly to bond on that GRT which will protect that revenue. He doesn't know whether Santa Fe County has bonded its GRT increment.
- ▶ Chair Dominguez said all of this will have some impact on the decision that we make in terms of what direction that we want to go.

Mr. Rodriguez said there were a number of bills, but those didn't pass. The conversation at the Legislature was that if the GRT is increased by a certain amount, the State immediately will reduce the transfers to local governments. If City were to raise its GRT to 3/8%, the State would stop making the transfers immediately, and not wait for 15 years to stop those payments.

Mr. Rodriguez continued, saying the Legislators' thought is that if a municipality raises its GRTs by a certain amount which produces above what is lost, over time there would be a break-even point and "you would be slightly behind," but in a meantime it is a windfall and the "State needs that windfall for itself at this point."

Mr. Rodriguez noted there are options, but each option come with its conditions. The League has said that the acceleration horizon for Cities adopting the Hold Harmless gross receipts tax increase, will continue at least for now.

- ▶ Chair Dominguez said he understood the original intention by the State in recovering the revenue was for transportation.

Mr. Rodriguez said no, noting there was a proposal to transfer money from the Gasoline Tax which goes to the municipalities to be used for counties.

- ▶ Chair Dominguez noted that chart isn't in the packet.

Mr. Rodriguez said that was sent to the Committee via email.

- ▶ Chair Dominguez said in the future when Mr. Rodriguez sends something via email to the Committee to also send a copy to Yolanda Green to put in the Committee packet.

Mr. Rodriguez said it was more for background information regarding the options, reiterating that each options has its benefits and consequences. He would like direction/clarification from the sponsors of the legislation in terms of which GRT is going to be adopted. He said staff will be bringing both forward for consideration unless this Committee indicates otherwise.

- ▶ Chair Dominguez said there has been no discussion by the Committee in this regard, noting he has mixed feelings. He would like to give the public the opportunity to impose a referendum on the GRT, but conversely, part of the trouble we're experiencing isn't self-inflicted, but are due to the unfunded mandates handed down by the State. He is unsure at this point, where he wants to go, commenting he is leaning more toward the Hold Harmless increment, and "dare the State to take that away from us again, or take it away in a different form." He said, after all, that is part of the reason the City is in its current budgetary situation.

- ▶ Councilor Rivera asked how much the City currently gets from the State for Hold Harmless.

Mr. Rodriguez said it is about \$10 million a year.

- ▶ Councilor Rivera asked how long that will continue.

Mr. Rodriguez said it is being reduced by \$700,000 annually for the next 15 years.

- ▶ Councilor Rivera asked, if the City were to implement the 1/8% Hold Harmless GRT, would the State cut out all Hold Harmless funding.

Mr. Rodriguez said at this point, that is the conversation by the Legislators, but it doesn't seem to be prospering, noting the Municipal League is in opposition to those bills. They're telling us that might not happen in this Legislative Session, but that's the conversation and it will happen sometime in the future.

- ▶ Chair Dominguez asked if this is true for all increments of the GRTs which are enacted by the City.

Mr. Rodriguez said the City adopted its GRT many years ago, but for sure the next two increments will be subject to that policy.

- ▶ Councilor Maestas said the Committee had a discussion about current trends, projected year-end expenditures and revenues. He asked to what extent we will use that information for the next budget. Will we keep the same budget level for revenue and expenditures, but look at actual and projected as the basis for setting the budget.

Mr. Rodriguez said the GRT is coming in about 3% higher than budgeted. He said, at the same time, expenditures appear to be up to 5% below budgeted. He said there will be a budget adjustment resolution to recognize the actual revenues and expenditures. He said if the balance is

greater than we are budgeting for capital improvements and the 10% reserves, staff will identify that to the Committee as a balance above and beyond what was budgeted. He said the expenditure level will tie itself to the lower figure.

- ▶ Councilor Maestas said then we won't create additional cuts, we will use the experience of the current budget, and the \$4 million in cuts is factored into it.

Mr. Rodriguez said yes, commenting that in a way we've been on this program for 6 months.

- ▶ Councilor Maestas asked when will we see a summary of all of these, including \$4 million in cuts, or will we get a summary of the cuts when we move into the budget to equal a 5% reduction.
- ▶ Chair Dominguez said he will work with the administration to get information to the Committee as it rolls out, in a format that will allow staff to continue to work and do what they need to do so they can move forward without us jumping to conclusions.

Mr. Rodriguez reiterated he will be using these opportunities to bring the Committee that information. He said, "It will be really hard to prepare a budget before we prepare a budget."

- ▶ Councilor Maestas said that information is very important in terms of our assumptions based on projected actuals, commenting there should be a standing agenda item discussing additional reductions above and beyond what we expect to be in this budget that would reflect the 5% reduction in expenditures.

Mr. Rodriguez said he understands, noting these are projections through the end of the year, and the lack of carry-forwards and new procedures in place make it difficult to do that. He said he would caution that these are projections and contain one-time expenditures – revenues and expenditures. He said it is staff's intent to bring a budget which includes these things.

- ▶ Councilor Maestas asked the reason we are insisting on a 10% reserve when all we need is 1/12 or 8.3%. He said we are trying to avoid the need for new taxes, and asked the reason we wouldn't just go for 1/12 for now, and when we are on more sound footing we can go with the ideal 10%.

- ▶

Mr. Rodriguez said 1/12 is what is required by law and is the bare bones minimum, and we need more than that. He would recommend building to a 15% reserved, because when you are this close to the edge you are going to count on these reserves. He said the reason the City hasn't run into more rough waters is because of the \$90 million in the water reserves which provided a lot of the liquidity the organization needed and there was a good cushion. He said as we get better at planning, perhaps the idea of running a little leaner might make sense. However, if we bring our cash reserve too low, there might be time we couldn't pay our bills. He said all kinds of things can happen. He said it's not just a matter of having it in the budget, it is a matter of having the liquidity for the organization. He would strongly recommend reserves of 10% at a minimum. He said the policy adopted by the Council is 10%.

- ▶ Councilor Maestas said his only point is that it is a guideline, and we're trying to avoid tax increases. He doesn't think we should make the situation worse voluntarily, and said he understands it is aspirational, but it should be a matter of policy, and we need to take action as to whether to go with the 1/12 or the 10%.
- ▶ Chair Dominguez pointed out that this Committee took formal action to establish a 10% reserve as a part of the approval of last year's budget. He said if we want to change the reserve for the upcoming budget, we can always entertain new policy dictating our management of the City's reserves. It is a policy decision.
- ▶ Mr. Rodriguez said the Financial Management Policy that you approved about two months ago had that figure in it, so staff is going by that. That is the policy direction that you gave to the staff in bringing the budget forward.
- ▶ Councilor Maestas said, "But we do have that latitude, and I think it's one of the things in play if we want to really reduce the impact for now, we could go with the 1/12. We have investment income which to a certain degree, a portion of it is liquid if we have an emergency, but the 1/12 is a restricted reserve we can't touch."
- ▶ Councilor Lindell asked the dollar amount difference between the 10% and the 1/12.

Councilor Maestas said 10% would be \$7 million and 1/12 would be \$5.81 million, so a difference of about \$1.2 million. He reiterated he thinks this should remain on the table

- ▶ Chair Dominguez said we can look at it, and it's a good conversation to have, but he would hope this Committee would ensure we have a reserve that is adequate for today and for the future, so we can leave that to future Governing Bodies. It has been a hefty reserve that we have been able to rely on for a number of years. He said, "I think we should be strategic about it, but we shouldn't forget about the future, and that's part of the strategy and the discussion we'll have."
- ▶ Councilor Maestas said in his plan for balancing the budget, he added all of the franchise fees and he gets a total of \$5.96 million.

Mr. Rodriguez said that is correct, noting it contains the \$1.2 million he suggested that we assess to the Wastewater and Solid Waste to cover the free service. This is a step in being transparent. He said, "To be clear, it's something I mentioned to you. We get free service. The General Fund is not charged for Wastewater and Solid Waste services, and we estimate that is a total of \$1.2 million. I'm recommending that practice change and that they charge for those services, so everything is made whole on both sides, so we charge a franchise fee, an equal amount."

- ▶ Councilor Maestas said then it is a slight modification to the framework, "You're incorporating my recommendation to add the...."

Mr. Rodriguez said, "Yes, it's a good idea."

- ▶ Councilor Maestas said, "Regarding the Stormwater, the street maintenance from Stormwater is not \$1.5 million. If you look at the break-out in the report, the breakout for Streets is \$924,000."

Mr. Rodriguez said on the left side the figure is correct, so there is a slight deficit.

- ▶ Councilor Maestas said the over-spending is about \$300,000.

Mr. Rodriguez said it is about \$298,000.

- ▶ Councilor Maestas said, "So you're adding that, but is there over-spending on the Streets side as well. Because it's 3. It's the Stormwater system, the Streets and then Parks. There's 3 components."

Mr. Rodriguez said yes, and he has added them for those purposes. He said, "The point I'm making is if you add it to this against the resources that the framework brings into play, it balances that out. What we're doing is generating resources to pay for operations in Stormwater so the revenue from Stormwater can be more readily used to do projects. This is freeing resources to do capital. We shouldn't be putting our capital money into operations, and this is a way to use one-time money for one-time costs to build things."

Mr. Rodriguez continued, "And to add a little bit about the ending balance. You all understand that if we were to take money, cash, that ended up being the ending balance at the end of the year, that would have to be treated as one-time money. So the idea of taking that cash from that balance to pay for ongoing operations would just be a continuation of the practice that got us into this situation in the first place. So I would only be recommending that if you are going to spend some of that money from the ending balance, that it be done for one-time things as in capital, which you approved in the CIP already."

- ▶ Councilor Maestas said in his framework, he recommended a higher level of fee increases, noting this framework calls for only \$2.5 million. He said Mr. Rodriguez gave the Committee a list of funds with projected year-end deficits of about \$3.8 million, many of which are fee based funds. He wants to start working on this now.

Mr. Rodriguez said, "We are working on these now and that will be part of the budget proposals you will get."

- ▶ Councilor Maestas asked if it will be consistent with the funds that are bleeding every year.

Mr. Rodriguez said the biggest fees that are bleeding are the Fire Property Tax Fund at \$293,000 and we're spending \$293,000 more than that fund brings in. There is the Police GRT Tax Fund where we're spending \$400,000 more than that fund produces. He said, "This is what happened. Years ago, when the City established the Fire & Police Tax, at that time, the thinking was there would be one time or equipment purchases out of those bills. A lot of those one time expenditures came out of these funds. When the City was facing a lot of stress as the result of the recession,

there was a rush to put a lot of operating things into those funds. As time went on, the waivers, the overtime and whatever went on, those funds ended up spending more on a regular basis than the money that was being brought in, so we can't charge very much other than raising the Police GRT. Or the Fire Property Tax Fund – it would be hell to get out of those.”

Mr. Rodriguez said one of the biggest deficits is in the operations and maintenance which are the funds they normally would use to pay for bonds, the revenue stream we rely on to issue bonds. He is going to put the fee increases, wherever they come from, to go into the General Fund to bring those operations out of deficit. So the Southside Library is a straight ahead part of the operating budget and not part of this fund.

- ▶ Councilor Maestas said perhaps when we look at fees, to have a proposed fee structure for enterprises that would fully fund the enterprise, and then perhaps have a recommended fee that wouldn't fully pay for the enterprise so we can have a sense of what the fees would have to be to make this self-sufficient according to the guidelines. And then what are the existing fees and what is a realistic recommended fee to make sure we make the most informed decision. He would like to address fees and any additional cuts we can make first, which he thinks would be our due diligence as we go into the budget hearings.

Mr. Rodriguez said the things most eligible for that would be like the Golf Course and the MRC.

- ▶ Councilor Maestas said Mr. Bulthuis came before the Committee, and he thinks Mr. Bulthuis just retained a consultant to help us to develop a new fee structure for the Airport. He asked if that will be developed timely for incorporation in the budget and reflect a budget-neutral operation. He said most of the Airport funds are losing money .

Mr. Rodriguez said, “We are negative almost \$500,000 – that's money that's being tied-over by the cash pool. I can't answer that question, because I'm not involved in the negotiations there, and I'm sure it doesn't help that the Transportation Director isn't here.”

- ▶ Councilor Maestas would like an update on that, and recalled that he brought that up when we took the option, but he wasn't given a clear answer, and wants to know if we can bank on that.

Mr. Rodriguez said at the next meeting, he will provide a list of the funds so we can all see the areas where that kind of strategy would work.

- ▶ Councilor Maestas asked about the E1 ERP Financial Software, noting we are overspent almost \$600,000, and asked what we will see in the next budget, and if that will be one of the few departments that sees a little bump.

Mr. Rodriguez said the idea of what the ERP is all about, is erasing those kinds of costs. You will see, in the next two meetings, that they will come to the Committee with a BAR to balance all of these. So the Council says don't try to collect fees any more, or we'll just call those a frustrated transfer or we'll pay for them. Again, he's just waiting to see what is the ending balance, so we

Councilor Maestas asked the number of intersections we are talking about here.

Staff said he doesn't have that information with him, but estimates it is about 84 intersections.

Councilor Maestas said the Sandoval/Montezuma connection next to the Courthouse doesn't have the pedestrian signals, and asked if that is one of the intersections that will get the pedestrian LED.

Staff said that is not one of the intersections, because the underground infrastructure doesn't have the conduit, or this would have been done a long time ago. This is the reason there are no pedestrian heads there because there isn't capacity to run cable to fit them to pick them up.

Councilor Maestas said when we discussed this, it was moved into the CIP, but it is 2-3 years out, and when the Courthouse was built, the County wasn't interested in modernizing the signalized intersections around the Courthouse. It is a traffic generator, and doesn't know the reason we can't move up these two intersections on the southern corner points of the Courthouse.

Staff said he can get an estimate to do that, commenting that is a major rebuild.

Councilor Maestas said it meets the manual of uniform traffic control devices, but there are no traffic markings, or pedestrian signal heads, and we're moving forward with 84 intersections, and he doesn't believe those two intersections aren't a priority to assist pedestrians to cross the street. He said, "I'm going to keep harping on this, and if you could take it back to staff that we somehow need to come up with a solution, or get CIP funds, any kind of funds, even if we have to phase it. I don't think waiting 2-3 years is acceptable. I think we need to move those up, because I've had many folks to complain over the difficulty of crossing the street. And some schools send kids there to cross the street." He said he will support the request, but thinks these two intersections should be in the top 84, and need to be on the radar for traffic.

Staff said it would be easy for staff to get an estimate for the two intersections as to what it would take to upgrade them.

**MOTION:** Councilor Maestas moved, seconded by Councilor Rivera, to approve this request.

**DISCUSSION:** Chair Dominguez said then this is all money coming from the State and staff said yes.

Chair Dominguez asked if these intersections are in the CIP budget.

Councilor Maestas said he thinks one is listed for 2-3 years out, but doesn't know the status of the other one, noting John Romero says it is as much of a priority as the one at Montezuma and Sandoval.

Chair Dominguez asked if the State "go off that priority that... who establishes... does the City establish the priorities to use State money, or is the State just taking our list and prioritizing it themselves."

could take some of the ending balance to pay for these things from the past. In some cases, it's quite substantial such as in the case of the MRC. He thinks there's a case to be made that the \$700,000 of accumulated deficit has to be recognized and taken from reserves, one way or another, and they will be coming to the next meeting with a plan for that.

- ▶ Councilor Maestas asked if this is something we can expect, regarding the year-end deficits in the Insurance Claims Fund at \$600,000 in the hole, although it probably varies. He asked if we have seen a consistent deficit at that level.

Mr. Rodriguez said, "I disagree that it's a deficit from the previous year. So it will always be operating there at a deficit. And the only way out of that is just better risk management. Last year's deficit is charged to the departments this year as part of their allocation."

- ▶ Councilor Maestas asked Mr. Rodriguez if there will be policy recommendations from his office in this regard, and Mr. Rodriguez said yes.
- ▶ Chair Dominguez said we need to be sure we have behaviors in place to reduce that liability in place – everything that need to be a process – by the election.
- ▶ Councilor Maestas believes we need to work on a lot of the cuts and possibly the fee increases as a first priority, then see where we are. He is pleased to see that we are going to use the projected end-of-year budget for expenditures as the next budget. So we're going to permanently contract the budget without any draconian cuts which he thinks is a good thing.

Mr. Rodriguez said it is too early at this point to say you won't feel the cuts.

Chair Dominguez said he will continue to work with staff. He said the election is coming up, and the Mayor will be making his appointments, commenting he doesn't know if he will be the Chair of Finance. We need to ensure there is a process in place for the Finance Committee as well as the rest of the Governing Body and feels that will start to take-off as we get past the next round. He thanked Mr. Rodriguez for all the information he provided for the meeting.

## **CONSENT CALENDAR DISCUSSION**

### **6. REQUEST FOR APPROVAL OF BID NO. 16/23/B – LED COUNTDOWN PEDESTRIAN HEAD INSTALLATION AT VARIOUS INTERSECTIONS AND AGREEMENT BETWEEN OWNER AND CONTRACTOR; M.W.I., INC. (RICK DEVINE)**

Councilor Maestas said the list of intersections isn't in the packet.

Staff said it's in the bid book which is about 250 pages, and it is in the supplemental technical specifications.

Staff said these funds were appropriated to upgrade all of our signals to the 2009 MUTCDC standards, and the other intersections will bring up all of the signal heads to standards, but these two intersections didn't have signal heads as Councilor Maestas pointed out, so it wasn't on the list.

Councilor Maestas said there is a lot of Federal discretionary safety funding and we need to work closely with the MPO to see if we can find federal funds to get these moved up on the priority listing.

Councilor Maestas said in the future, he would like to know the location of each signal and in which District they are located.

Chair Dominguez asked if the intersections are on the City's CIP list. He doesn't know where the State is getting it's list.

Staff said we gave them the information and estimates to come up with this project.

Chair Dominguez said he agrees that there is increased pedestrian traffic, and we need to do what we can in this regard.

**VOTE:** The motion was approved unanimously on a voice vote.

**7. REQUEST FOR APPROVAL OF A BUDGET INCREASE FROM CASH BALANCE FOR ADDITIONAL PREVENTATIVE MAINTENANCE AND REPAIR OF RESIDENTIAL AND COMMERCIAL COLLECTION UNITS FOR THE ENVIRONMENTAL SERVICES DIVISION IN THE AMOUNT OF \$242,802. (LAWRENCE GARCIA)**

Councilor Lindell asked how we could have underestimated this so badly.

Lawrence Garcia said we have older equipment, and they were borrowing money from Wastewater at one point to buy trucks. There were a number of trucks that were purchased and they were older, and little by little they have been purchasing trucks from their operating budget, and moving slowly to replace all of the trucks. He spoke about vehicle failures which put them over budget. He feels they are moving forward to repair and replace vehicles so there will be no shortfalls.

Councilor Lindell asked the age of the vehicles.

Mr. Garcia said there is one at auction that is a 1996 vehicle, another with a blown motor which is 10 years. The life expecting in the industry for solid waste equipment is 7-10 years, depending on the application. They have a few trucks that are past their life expectancy at this point.

Councilor Lindell asked the cost of a new truck.

Mr. Garcia said about \$350,000, about \$100,000 more than the shortfall. They are looking to purchase 4 additional trucks next year to help in the drive to upgrade the fleet to reduce maintenance. They also are looking at a program for preventative maintenance, and other areas where they can control the cost.

Councilor Lindell said this is almost \$250,000, and not the kind of thing we look forward to seeing.

Mr. Garcia agreed, saying he wasn't looking forward to presenting this today. He said it's unfortunate, and they need to make sure the trucks are safe and operable on a daily basis.

Councilor Lindell asked if some of the trucks could not be repaired and be replaced, if it would be a better use of our money. She doesn't think it is worth repairing a 1996 truck.

Mr. Garcia said minimal repairs have been made to that truck to bring it along because of the need to have it there. He said they are evaluating all equipment, and some of the older equipment went to auction. However, we still need to cover the services.

**MOTION:** Councilor Rivera moved, seconded by Councilor Maestas, to approve this request.

**VOTE:** The motion was approved unanimously on a voice vote.

**8. REQUEST FOR APPROVAL OF PROFESSIONAL SERVICES AGREEMENT – COLLABORATIVE ARTS MARKETING PROGRAM FOR ARTS COMMISSION; MUSEUM OF NEW MEXICO FOUNDATION. (DEBRA GARCIA Y GRIEGO)**

Councilor Lindell wants to know more about the program, and the reason someone else is the fiscal agent.

Ms. Garcia y Griego said this is the second year of the collaborative Arts Marketing Program, with the idea to foster organizations working together to create events to attract tourists, in keeping with the Lodgers's Tax which is the source of the funding. Organizations need to come in with a minimum of two eligible partners under existing guidelines, 501(C)(3) nonprofit arts organizations doing programming in Santa Fe County. The idea is to come together on a project united with a common theme, geography, time of year, media and such. She said these funds are strictly for marketing and program. We funded 3 last year, and there is an increase in the number of organizations to be funded this year through the program.

Ms. Garcia y Griego said the Museum of New Mexico Foundation serves as the fiscal agent for the State museums, and the reasons the applications are coming under the Foundation. She said since it is set up this way, it has the administrative backbone to do it, including the accounting, so it was the obvious choice for these two projects.

Ms. Garcia y Griego said, in terms of accountability and reporting, before the final funds are disbursed, we pay for services only after rendered and they would submit a final report including the areas of the audience, the reach of the marketing materials, how many impressions were made, how many social media impressions were made, as well as a detailed accounting of the expenses.

Councilor Lindell said the packet indicates 2016 Collaborative Arts Marketing with project summaries. She asked if these are all on-going things.

Ms. Garcia y Griego said these are all projects approved for funding and the contracts under \$50,000 are moving through the approval process, so they are still in Legal. She said these two, because the combined total is \$90,000, comes to the City Council for approval. All projects are pending and have to be completed in terms of marketing and promotion by the end of the current fiscal year, noting it is for a full fiscal year.

Councilor Lindell asked the number of responses to the RFP.

Ms. Garcia y Griego said there were 9 Applicants, 3 were not recommended for funding and 6 were recommended for partial funding. She said the recommendation for partial funding was because, often, the Applicant was including expenses not directly tied to marketing and promotion in accordance with the Lodgers' Tax, so the contract amounts were reduced to meet those. In the case of these two, all expenses are eligible under the Lodgers' Tax, so they were funded for the full amount.

Councilor Lindell asked if there is a cap on available funds to each.

Ms. Garcia y Garcia said yes, it was a \$50,000 cap.

Councilor Lindell said and these two got \$45,000 each.

Ms. Garcia y Griego said that is correct.

Councilor Lindell asked if there is a certain pot of money to disburse for such projects each year.

Ms. Garcia y Griego said the \$150,000 was allocated for this program, specifically in the *[inaudible]* pool.

Councilor Lindell asked who decides on the \$150,000.

Ms. Garcia y Griego said it was *[inaudible]*, in consultation with the Arts Commission, determining last year when the funding amounts were made at the beginning of the fiscal for the major program, how much they wanted to set aside for this program.

Councilor Lindell said she assumes there is no carry-over if it isn't all spent.

Ms. Garcia y Griego said, "It is the Lodgers' Tax Fund, so yes, it would revert back to the cash balance in that fund."

Councilor Lindell said on Lowrider Summer we are contributing \$45,000, and the most anybody else is contributing is \$15,000, and assumes this is the ask from them.

Ms. Garcia y Griego said it is the ask they came to us for. The budgets that are presented in these documents are strictly related to this section of the marketing and promotion. So in addition to those expenses, they've obviously incurred all of the expenses for presenting the exhibit for the Territorial, and the State Department of Cultural Affairs, Marketing Division provides a tremendous amount of in-kind that is not necessarily quantified in those budgets you're looking at.

Councilor Lindell would like to see the metrics when this comes back to us, and if it's data that's really useful to us, and if we can figure out anything from it. She commenting this is quite a lot of money at \$150,000.

Chair Dominguez said as time goes on and on, we are becoming more of a data base driven organization, which is important in the decisions we make which is good. Technology is one of the things that will help make that happen.

**MOTION:** Councilor Lindell moved, seconded by Councilor Maestas, to approve this request.

**VOTE:** The motion was approved unanimously on a voice vote.

**9. REQUEST FOR APPROVAL OF A RESOLUTION REQUESTING STAFF TO DEVELOP A LAND USE FACILITATION PROGRAM BASED ON THE HIGHLY SUCCESSFUL ALBUQUERQUE MODEL (COUNCILOR BUSHEE). (LISA MARTINEZ AND NOAH BERKE) Committee Review: Public Works Committee (approved) 01/11/16; Planning Commission (approved w/amendment) 02/03/16; and City Council (scheduled) 02/24/16. Fiscal Impact – No.**

Councilor Rivera said the caption says "highly successful Albuquerque model," but people in Albuquerque don't necessarily agree or call it that, and asked the source of that language.

Jesse Guillen, City Attorney's Office, said he had included different language, but Councilor Bushee asked for this replacement in the Resolution.

Councilor Rivera asked if she based that on fact, or if it was just her opinion, commenting he assumes it is based on her opinion.

Mr. Guillen said he assumes its an opinion based on who she spoke with about the program.

Councilor Rivera asked Ms. Martinez about the Albuquerque model and the pros and cons of that model.

Lisa Martinez, Land Use Director, said the City of Albuquerque currently is undergoing significant changes to its process, which includes a series of meetings with staff and the public over the course of last year to review pieces of the program that are successful and those that need reworking. She said she has attended 2-3 meetings to find out about some of the issues, and they are struggling with a lot of issues we are. They are looking to streamline the process and make things more smooth for homeowners, architects and contractors – all the things we're working on as well. She said they told her they were supposed to be looking at Santa Fe's process and management. So there have been dialogues back and forth in this regard. She said we are all in the same place – looking for improvements and looking different pieces.

Councilor Rivera said it seems to create more steps in an already cumbersome process, and asked Ms. Martinez if she agrees.

Ms. Martinez said it's certainly another step in the process, because this is in addition to the City's ENN process, noting Albuquerque doesn't have that provision. There definitely is benefit to bringing in a facilitator or someone to help discuss the really complicated issues related to development, especially those where there is a lot of controversy. She said balancing input and meetings might be the best use for funds for the controversial projects coming up.

Councilor Rivera said on page 3 of the FIR, #3, says, *'The Resolution has no fiscal impact. However, the bill/ordinance that the resolution calls for staff to develop will have a fiscal impact.'* He asked what is anticipated in terms of a facilitator and everything else that would go along with the bill/ordinance change.

Ms. Martinez said usually facilitator rates are by the hour. She said Albuquerque issues contracts through its City Attorney's office, so Land Use staff aren't involved in the process and can't be accused of picking their favorite person to oversee the meeting, so there is a clear separation. She said the overall cost, depending for a 2 hour meeting would be \$200 to \$300.

Councilor Rivera said it is still necessary for staff to answer technical questions, or questions about the Code.

Ms. Martinez said that is important, but the City does that already currently.

Councilor Rivera said he understands what Councilor Bushee is trying to do and asked if it could be incorporated into the existing process.

Ms. Martinez said yes, noting currently the ENN meetings run smoothly and are about 2 hours long, but if the process becomes difficult, a facilitator might be beneficial.

Councilor Rivera asked if we know when Albuquerque will be finishing its recommendations and moving forward on its implemented plans.

Ms. Martinez said Albuquerque was scheduled to be finished with the public meetings last night, but she believes they have extended the public process for two months, but can't remember the exact dates. She said it will probably will be complete sometime in the summer.

Councilor Rivera said he can't support the proposal as is, but if it fails to pass, he would like to continue the discussion on it. He would like Ms. Martinez to track when Albuquerque gets started to see how the new changes are implemented so we can learn from their process before moving forward with any major changes to our process.

Ms. Martinez said staff is watching this carefully, and whether or not it passes, we still need to streamline the way we do things all the way around, and not just for Land Use. They are outlining where they can remove unnecessary steps. She said the new system won't accommodate our existing processes, and we need to look at other models to see if there are better and more simple way of doing things.

Councilor Rivera said there is some feeling during an ENN that it's basically the developer telling you what you are going to propose and there is no real input from neighbors that would change what the developer is trying to do. There has to be more public participation and the public input needs to be taken more seriously.

Ms. Martinez said they continue to look for ways to ensure everybody feels that their concerns have been heard and addressed.

Councilor Maestas said he agrees with Councilor Rivera. He thinks our process can use improvement, but Albuquerque's facilitated process isn't in the same context as ours with the ENN. He said any citizen can request the facilitated meeting, and although it says it is optional, it really won't be optional and will be a regular part of the process. He said he thinks the ENN is good, it is ours and a process for the developer to make a presentation. He said a lot of the proposed development is still very conceptual and fundamental and it's early enough in the process to make changes in response to neighborhood concern. However, there could be a place for a facilitated session between the ENN and the Planning and Zoning action. He said at that point, there still isn't that much investment in the design, and if the neighbors aren't happy with the changes since the ENN, there will be more detail in the proposal. However, it doesn't really represent a significant financial commitment on behalf of the developer.

Councilor Maestas continued, saying what he is saying is that we are Santa Fe and we're unique, and he thinks we are a very deliberative City when it comes to issues, people aren't afraid to express themselves. He would prefer that staff look at Albuquerque's process and make recommendations of how we can amend our process, and the process evaluation could entail some improvements apart from facilitated meetings between the developer and concerned citizens and neighborhoods. He appreciates Councilor Bushee looking to good models, but thinks the context of Albuquerque's model isn't the same as ours. He applauds Councilor Bushee, but he wants staff to look at this to see if there are elements of this facilitated process we can incorporate into ours.

Councilor Maestas continued saying we're going to be updating our General Plan, and people are going to start getting used to more developments coming up, and people will be less inclined to resist and be more inclined to participate in the process if it is inclusive, even if there is a facilitated component like this. He said before we adopt this, even though it is optional, we need a step before adoption where we ask staff to look at the process for any parts we can incorporate into our own process. He wants to take a step back, let staff evaluate the process and make recommendations before we just jump into this.

Councilor Lindell said she doesn't disagree. She said this is just requesting approval for staff to develop a Land Use Facilitation program, but doesn't know if it needs to be based on "the highly successful Albuquerque model." She said apparently it wasn't successful sufficiently and Albuquerque is changing its program. She doesn't want to see this go away and become lost, and believes it is important.

Councilor Lindell continued, saying people have called this an Early Neighborhood Notification Negotiation, and she is unsure what this is. She said we are making a concerted effort to have fees cover the cost of the program, so whatever the cost of these facilitated meetings might be, we need to collect a fee from someone for that. She said it doesn't seem reasonable that one person could put this process into motion, and more typically is a neighborhood or homeowners association or something like that.

Councilor Lindell continued, saying she is very very supportive of this conceptually, but thinks the problem is with the caption which needs work. She would like for this to come back to this Committee within 90 days for us to start looking at it again, but doesn't know if the Councilors would be agreeable. She asked if Albuquerque's new procedure is ready for use.

Ms. Martinez said it isn't complete, reiterating that Albuquerque is seeking additional public input, but that should be done in the next 1-2 months.

Councilor Lindell said she wants to make sure this doesn't die or we forget about it, commenting, "I think it has real value."

Councilor Maestas said perhaps we can make some language changes and make it a staff exercise to look into it to see if there is any merit to incorporating elements that would help our own process. He wants to take action, but make it a staff exercise instead of adopting it as policy to incorporate into our Land Use Code. He can't see us adopting this policy intact, but he can see us making modifications to make it work for the City. He asked Mr. Guillen if we can come up with language to direct staff to study the facilitation program and make recommendations, and asked Ms. Martinez how much time staff would need to do that.

Chair Dominguez said he doesn't think we need to amend the language, commenting we can direct staff to come back in 30-90 days with specific recommendations in consideration of this proposal. This is one way to continue the dialogue.

Chair Dominguez said he would caution the Committee and the public that facilitators don't work for free, and we have to be very careful about the fiscal implications. This is, once again, one of those policies we could put in place that increases the costs of operating in the City. We need to explore the costs and who will pay the costs, or if it will be part of the City's budget. He said 180 days from now will be in August. He said this legislation relies on neighborhood associations or wealthy individuals to ask for mediation. He said this doesn't even deal with the people who are impacted by development many times which are communities in poverty who don't have associations or the funds, or an organization to request mediation.

Chair Dominguez continued, saying he loves the intent, and it is good anytime we can resolve any issues before they get to the Governing Body. However, like his colleagues, he has concerns about some of the details. He said, "Whereases, to me, are findings of fact. They are factual statements. And these seem to be more like guidelines. And I don't know if the guidelines came from Albuquerque, or guidelines that Councilor Bushee and staff worked on. Jesse are these Albuquerque's guidelines."

Mr. Guillen said, "Most of this was developed.... it was coming mostly from Albuquerque. I think that's where most of the language came from."

Chair Dominguez reiterated that to him, Whereases are usually findings of fact, and these seem to be more like guidelines that need a lot of work.

Councilor Rivera said the Planning Commission approved this with amendments, and asked staff what those amendments were.

Ms. Martinez said all of the proposed amendments approved by the Planning Commission are listed on packet pages 3 and 4.

Councilor Rivera said he doesn't find those in the packet.

Ms. Martinez said one of the most significant changes proposed is to make sure there is language stating that the program is separate from the Early Neighborhood Notification. They wanted to make sure that residents are included in the process, '*Residents and registered associations....*' so they wouldn't have to be a formally defined homeowners association or neighborhood group.

Councilor Rivera said it was approved by Public Works on January 11, 2016, and Planning Commission approved it with a slew of amendments. He asked if it now goes back to Public Works prior to going to the Council, since it has to be approved by two of the major committees before it can go forward to the Council.

Mr. Guillen said since the Planning Commission technically is an advisory committee, the amendments would have to be approved by this Committee for them to be adopted, noting they currently are not adopted as new language.

Councilor Rivera asked if we were to move to deny tonight, would the original bill still go to Council since it has been approved by Public Works.

Mr. Guillen said he believes that is correct, but he will have to double check with Yolanda Vigil.

Councilor Rivera said then we will see this before the full City Council anyway. He said he is still not in favor of the bill, he just wondered about the amendments and how it will work since Public Works approved it before the Planning Commission made all of its amendments.

Chair Dominguez said this Committee can send it back to Public Works or to the Planning Commission. He thinks this is a great start and a good attempt to move in the direction he believes we all want to go. However, he doesn't feel the legislation is ready for prime time. He said, like Councilor Lindell, he would like to see it 'live,' a little longer before letting it die. We don't have to send it to the Governing Body right away for approval."

Councilor Maestas said the ENN is meant to take staff into the field when the developer meets with the neighborhoods at a location of their choosing, so it already is independent of City staff. He would think the facilitation program, if adopted, would be consistent with that. He thinks the developer should pay for the facilitation services, noting the City could provide a list of approved facilitators and they would have to choose someone from the list. He thinks the developer stands to benefit from this process. He said he would insist on that if we decide to incorporate something like this in the bill.

**MOTION:** Councilor Rivera moved, seconded by Councilor Maestas, to postpone this request for 6 months, with a request to staff to keep an eye on Albuquerque's model, see what changes they have made, and come back to this Committee in 6 months with proposed changes based on what was learned from the Albuquerque model.

**FRIENDLY AMENDMENT:** Councilor Maestas would like to include a specific staff request that if they see merit in it to provide recommendations to this Committee. **THE AMENDMENT WAS FRIENDLY TO THE MAKER AND THERE WERE OBJECTIONS BY THE OTHER MEMBERS OF THE COMMITTEE.**

**FRIENDLY AMENDMENT:** Chair Dominguez would like staff, in making recommendations, to focus on communities in poverty, especially minority communities, which may be more costly because of the translation that needs to happen, outreach above and beyond what is acceptable in the rest of the City – general language like that. **THE AMENDMENT WAS FRIENDLY TO THE MAKER AND SECOND, AND THERE WERE NO OBJECTIONS BY THE OTHER MEMBERS OF THE COMMITTEE.**

**VOTE:** The motion, as amended, was approved unanimously on a voice vote.

10. **REQUEST FOR APPROVAL OF A RESOLUTION AMENDING RESOLUTION 2014-96 TO DIRECT STAFF TO COORDINATE FREE TRANSPORTATION AND PARKING OPTIONS FOR PATIENTS AND VOLUNTEERS BY THE MISSION OF MERCY PROGRAM SPONSORED BY THE NEW MEXICO DENTAL FOUNDATION. (COUNCILOR IVES AND COUNCILOR TRUJILLO). (NOEL CORREIA, JON BULTHUIS AND DAVID SILVER). Committee Review: Public Works Committee (approved) 02/08/16; and City Council (scheduled) 02/24/16. Fiscal Impact – Yes. Expenditures = \$170 for personnel revenue loss - \$11,160 (\$1,000 in firebox farebox loss; and \$10,160 in parking meters and garage)**

Councilor Rivera said most of his questions are for Transit, and there is no one here to answer those questions. He does have a question for Parking. He said it is his understanding from people who have worked on this in other cities, that this brings a significant number of people to the City so that the underground parking may not accommodate all those attending. He asked the plan for additional, free parking.

Noel Correia, Director, Parking Division, said the plan takes care of parking underground, on the street, and the Railyard Parking Garage as well. He said the estimate was for 500 cars per day. He believes between the Convention Center Garage, the Railyard Garage and on-street parking, there 500 cars will have sufficient parking.

Councilor Rivera asked how people will know to go to the Railyard parking garage as opposed to the Convention Center.

Mr. Correia said he doesn't have an answer, but his understanding is there will be notification when the program is sent out to people, as to which Garages are available with a map and which streets have on-street free parking.

Councilor Rivera asked if he will be bagging the on-street meters.

Mr. Correia said they will be bagging them to make sure the spaces are available for this project and others don't park in those spaces.

Councilor Rivera noted on page 3 of the FIR there is personnel at \$170, and asked if this is for Parking personnel or Transit personnel.

Mr. Correia said it is for Transit.

Councilor Rivera said that seems extremely low in consideration of the number of people anticipated to attend, and it looks like Transit will be hit pretty hard. He said without Transit in attendance, he can't ask the rest of his questions.

Chair Dominguez said this is one of those things that is very good for our community and Northern New Mexico, but it costs money to do this. He said in budget discussions he would like for the community recognize that the services we provide to them are exceptional. There is always room for improvement,

but it is programs like this that make him proud to be a resident of this community and to provide these things for our citizens and for those of all of Northern New Mexico.

Councilor Rivera said he just wants accurate numbers in the FIR, and he isn't 100% sure that we have those.

Chair Dominguez asked if timing is an issue, and if we want to move it forward and ask Mr. Rodriguez to be sure we get the requested information. Or do we want to deny it.

Responding to a question from Councilor Rivera, Mr. Correia said the Transit Division has been transferred under the Public Works Department, Isaac Pino, Director.

**MOTION:** Councilor Rivera moved, seconded by Chair Dominguez, to approve this request and ask Mr. Pino to review the FIR and let the Committee know the plan for Transit, and the estimated costs.

**VOTE:** The motion was approved unanimously on a voice vote.

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**END OF CONSENT CALENDAR DISCUSSION**

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**13. MATTERS FROM THE COMMITTEE**

A copy of Bills and Resolutions scheduled for introduction by members of the Governing Body, for the Finance Committee meeting of February 15 2016, is incorporated herewith to these minutes as Exhibit "2."

Chair Dominguez said, with regard to the iPad implementation, he would recommend that we do not fully implement it until after the budget discussion, and/or after the new members are appointed to the Committee. He said there is still work to be done on it, and we need a day of training.

Councilor Rivera said this is a better system for him to use than strictly just the iPad, so he can highlight and do other things, and he would like to continue to do that.

Chair Dominguez said he doesn't want to set an expectation that we are completely paperless by any certain time, noting he gets emails on the iPad to approve "that I can't even approve." He doesn't know if it's software or what. He said "I would actually like for mine to be able to work on my laptop and not on my iPad, because it's harder to see the numbers."

Mr. Rodriguez said the iPad has better graphics capability than the average PC.

Councilor Lindell said Marco has offered to do training, and rather than individual training, she asked him to put together the FAQs which she thinks is more efficient, and any training should be for more than 2 or 3 individuals.

Councilor Maestas said he will adjust to the iPad. He thinks it is a good thing. He said it would be good if it would facilitate emails as we are reviewing the information to get a lot done between meetings. He said a good start would be the FAQs, and in training in how to use all of the "bells and whistles."

Chair Dominguez said he would like to be able to embed emails on a specific topic to that folder.

Councilor Rivera asked Marco if there is a way to delete the information from November 30<sup>th</sup>, commenting he can show him after the meeting.

Councilor Rivera said in looking at items to remove, Items #6-10 on the Finance Committee Agenda differed from what were on the Agenda. He wants Marco to find a way to fix that part.

Councilor Rivera asked what we are going to do about hiring summer staff for the Summer Program with the Schools. The process starts now for summer positions, and he is unsure how that will be handled in the budget, but thinks decisions need to be made by the City Manager for some of these programs because the budget spans fiscal years.

Chair Dominguez said this year's summer programs are already budgeted. He said this is one of the reasons he is reluctant to look too deeply into expenditures and revenues, because we don't know what the Summer Program will bring. He heard the CYFD was going to mandate an increase in adults to youth supervision, which means more FTEs, but doesn't know how many more. He also doesn't know if that is true or not. He said there may be a reduction in summer youth program opportunities next year.

Mr. Rodriguez said the plan was to bring Mr. Carter to the Committee to discuss that, because his Department is the one that is more affected by our not paying for his operations through bond proceeds. He has been requested to develop different scenarios to accomplish those programs. He said, "That cut is actually going to affect him even this Spring. So we're asked him to work up a presentation for possibly an amendment for this fiscal year.

Chair Dominguez said that budget is already set.

Mr. Rodriguez said some of the positions were coming from capital, and Mr. Carter is working on a presentation for this year.

Responding to the Chair, Councilor Rivera said he was speaking of all programs, even those in Parks & Recreation, which typically begin the process of hiring in January/February and we're to that point already.

Councilor Maestas said he would like a status update on the 2010 Bond Audit, noting the deliverable was to be February 16, 2016, to the State Auditor. He said he presumes we have submitted our responses to the findings.

Mr. Rodriguez said no, because we haven't had all of the findings. We received some this weekend and staff is working on them, and he expects the balance of the findings tomorrow. He noted there will be an exit conference with the auditors and the State Auditor on Thursday.

Councilor Maestas said there is a provision in the contract that if there is any evidence of criminal wrong-doing, it would go on a different track. He said it sounds like it's on track, assuming there are no criminal findings.

Mr. Rodriguez said, "I think that would be a fair conclusion at this point."

Councilor Maestas said he has constituents who are asking questions about this, and asked when it will be released.

Mr. Rodriguez said it will be released the week before the election.

Chair Dominguez asked Councilor Maestas to attend the exit conference on his behalf.

Councilor Maestas said he would, if it works with his schedule.

Mr. Rodriguez said he will send him the particulars of the meeting.

Councilor Maestas asked, regarding the iPad, if we can have the word files included, because we may need to make amendments. He presumes everyone's iPad has programs where we can make amendments, but the attachments are pdf, read only. He said we can make notes, but it would be cleaner if we could make track changes.

Mr. Rodriguez said doing that would add a whole new part to the assembling of the agenda and would make it more complicated and the deadlines would be pushed back and a lot of staff would have trouble with that. He said his request would be, respectfully, that when you get a document where you might want to make changes, that you just notify staff, and we'll include the Board file. That would be much easier.

Councilor Maestas said he would emphasize that we look first at efficiencies and fees. He wants to see what is on the table and identify the category so we can work on parallel tracks.

Mr. Rodriguez said staff is time stressed right now and he wants to work on the budget. He said the more work they spend on budget preparation, the less time that will be available.

Councilor Maestas would like a personnel reporting showing the number of vacancies.

Chair Dominguez said he will work to get information to the Committee and the Governing Body. He said he would caution the Committee members to not get into micromanaging. He doesn't want to get into specific discussions, and we need to give staff and the administration the time to what they need to do. He will work with staff so we can roll-out this information sooner, rather than later.

Councilor Maestas said an HR status report on positions would be sufficient.

Mr. Rodriguez said he has asked staff to generate that report every 6 months, noting the last one was as of January 16 , 2016.

Chair Dominguez said that was a pretty large document.

Councilor Maestas asked him to resend it to him, and Mr. Rodriguez said he will do so.

Chair Dominguez said, with all respect, a true paperless board is more transparent so that others have access to everything that we have access to. It gives us the opportunity to amend things and have it flow effortlessly throughout the Committee and our process. He isn't opposed to working with it, but he will make the transition slowly.

Mr. Rodriguez said this is a significant step in the way business is done. The intention was to go full paperless by the next meeting. He said they won't print a packet unless they specifically asked for a printed packet.

Councilor Rivera said he had trouble with the agenda today.

Chair Dominguez said there always will be problems, and we have to be able to manage the technology for it to be beneficial. He wants to be as flexible as possible in implementing the new technology.

Mr. Rodriguez said we will see more efficiencies and will be easier for staff.

Chair Dominguez may said he may reschedule meeting on the 21<sup>st</sup>, so he will work with staff to make sure everybody gets proper notice.

Councilor Lindell introduced an Ordinance amending Subsection 12-9-3.9 of the Uniform Traffic Ordinance relating to ADA accessible parking violations requiring a mandatory court appearance. A copy of the Ordinance is incorporated herewith to these minutes as Exhibit "3."

#### **14. ADJOURN**

There was no further business to come before the Committee, and the meeting was adjourned at approximately 7:15 p.m.

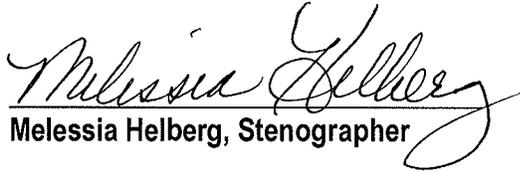
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**Carmichael A. Dominguez, Chair**

Reviewed by:



Oscar S. Rodriguez, Finance Director  
Department of Finance



Melessia Helberg, Stenographer